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CONSUMER EMPOWERMENT
AND MARKET CONDUCT
(CEMC) WORKING GROUP

THE CONSUMER EMPOWERMENT & MARKET CONDUCT POLICY MODEL

POLICY MODEL

CONTENTS

1 EXECUTIVE SUMMARY

The Consumer Empowerment & Market Conduct (CEMC) Policy Model has been developed by the Alliance for Financial Inclusion (AFI) to provide practical guidance to policymakers and regulators seeking to strengthen consumer trust, confidence, and participation in the financial system.

Consumer empowerment and market conduct are two mutually reinforcing aspects that underpin inclusive, responsible, and sustainable financial sector development. While financial inclusion initiatives have significantly expanded access to financial services globally, access alone does not guarantee meaningful inclusion. Consumers must possess the knowledge, skills, confidence, and opportunities necessary to make informed financial decisions, while financial service providers must operate in a manner that is fair, transparent, responsible, and aligned with the interests of consumers.

Consumer empowerment focuses on strengthening financial capability, consumer awareness, and financial well-being. Empowered consumers are better equipped to understand financial products and services, assess risks and opportunities, exercise their rights, and make informed financial decisions throughout their financial lives. Market conduct focuses on ensuring that financial service providers act responsibly and transparently in their interactions with consumers. This includes promoting fair treatment, responsible product design and distribution, transparency and disclosure, effective complaints handling and redress mechanisms, data protection and privacy, responsible competition, and robust market conduct supervision. Together, consumer empowerment and market conduct contribute to building consumer trust, strengthening financial resilience, supporting responsible innovation, and advancing financial inclusion outcomes. These underpin the need for sound financial consumer protection policies, a theme on which this Policy Model is designed.

The Policy Model draws upon the experiences of AFI member institutions, AFI knowledge products, and relevant international practices to codify and provide practical guidance to strengthen policy frameworks that promote fair treatment, responsible innovation, consumer trust, and inclusive financial sector development. It provides a flexible framework that can be adapted to different country-contexts, legal systems, institutional arrangements, and levels of financial sector development.

The Policy Model is organized around six interrelated pillars:

1. **Governance and Institutional Structures**
2. **Market Conduct & Competitive Dynamics**
3. **Supervisory Tools & Instruments**
4. **Consumer Capability**
5. **Complaints Redressal**
6. **Cross-Cutting Themes**

These pillars provide a comprehensive framework to support AFI members in strengthening consumer empowerment and promoting fair, transparent, and inclusive financial systems. A section of related cross-cutting themes is included to appreciate the inter-related nature of the themes discussed.

2 CONTEXT & BACKGROUND

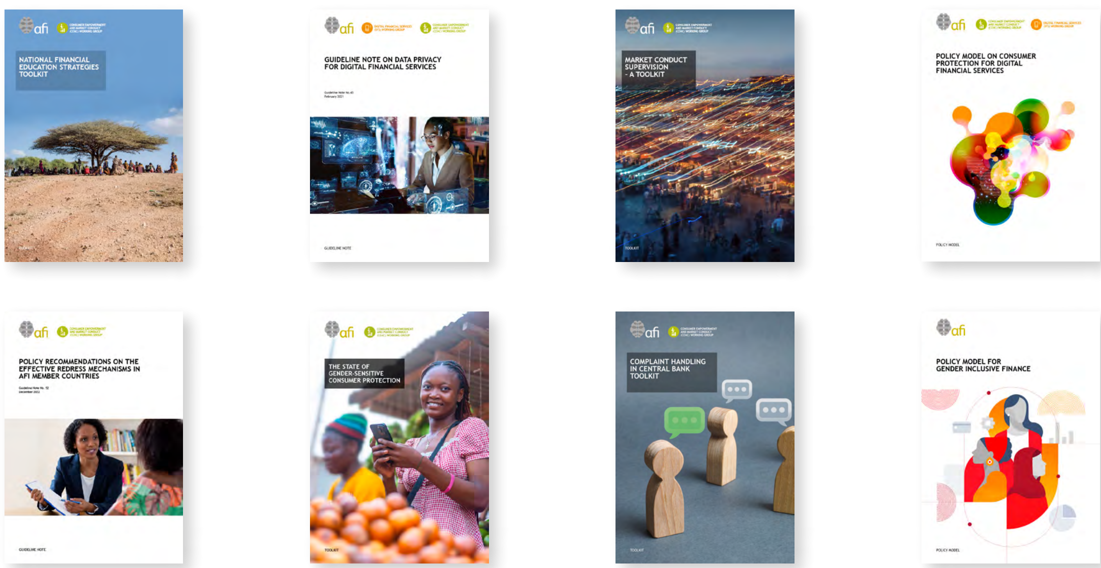
Financial inclusion has emerged as a global policy priority due to its potential to improve economic participation, reduce vulnerability, and support sustainable development. Across the AFI network, significant progress has been made in expanding access to formal financial services through policy reforms, digital innovation, and targeted inclusion initiatives. However, increased access to financial services also brings new responsibilities and risks for consumers, regulators, and financial service providers.

For financial inclusion to translate into meaningful and sustainable outcomes, consumers must be able to access, understand, use, and benefit from financial services in a safe and informed manner. This requires a balanced policy approach that promotes both consumer empowerment and sound market conduct.

Consumer empowerment enables individuals to make informed financial decisions through improved financial literacy, financial capability, consumer awareness, and financial confidence. It seeks to ensure that consumers are not merely passive users of financial services but active participants capable of understanding product features, assessing risks, exercising their rights, understanding their obligations and pursuing their financial goals. At the same time, market conduct frameworks help ensure that financial service providers operate fairly, responsibly, and transparently. Effective market conduct regulation and supervision reduces the risk of consumer harm arising from misleading disclosures, unfair business practices, inappropriate product design, fraud, scams, cyber risks, misuse of personal data, and ineffective complaints resolution mechanisms.

Rapid technological innovation has further reinforced the importance of both consumer empowerment, market conduct and ultimately, consumer protection. Advances in areas such as digital financial services, fintech innovations, artificial intelligence, platform-based finance, and data-driven business models have expanded opportunities for financial inclusion, while simultaneously introducing new risks and complexities for consumers. As financial ecosystems evolve, regulators must ensure that consumers are adequately protected and empowered to navigate increasingly sophisticated financial markets.

AFI Knowledge Products



The breadth of AFI's existing knowledge products and the commitment of AFI members to align their practices with international organizations, indicates a natural evolution towards the development of a policy model on consumer protection that is driven by member examples.

Recognizing these developments, AFI members have increasingly prioritized consumer empowerment and market conduct within their policy and regulatory agendas. Between 2009 and 2025, AFI members reported more than 254 policy and regulatory changes[1] related to consumer protection, financial literacy/education, financial capability/health, market conduct and national strategies on financial inclusion. These efforts reflect a growing recognition that financial inclusion, consumer empowerment, and responsible market conduct are mutually reinforcing objectives.

Against this backdrop, the Consumer Empowerment and Market Conduct Working Group (CEMCWG), using a bottom-up approach, has developed this Policy Model to support AFI members in designing and implementing proportionate, inclusive, and effective frameworks that promote both empowered consumers and responsible financial markets. The Policy Model builds upon AFI's extensive body of knowledge and peer-learning experiences, while complementing relevant work undertaken by international organizations, standard-setting bodies, and development partners. It seeks to provide AFI members with practical guidance that can be adapted to national circumstances while advancing shared objectives of financial inclusion, consumer trust, financial well-being, and financial sector stability.

1 Internal AFI member policy changes tracker

International organizations

CGAP

IOSCO

BIS

OECD

THE WORLD BANK

3 OBJECTIVES

The objective of the Policy Model is to provide guidance to AFI members in strengthening consumer empowerment, financial capability, market conduct supervision, and consumer protection frameworks in support of inclusive and sustainable financial sector development.

Specifically, it aims to:

1. **Promote** a consumer-centric approach to financial sector policy and regulation that places consumer interests, financial well-being, and trust at the center of financial inclusion efforts.

2. **Strengthen** Consumer Empowerment by supporting initiatives that enhance financial literacy, financial capability, digital financial literacy, consumer awareness, and informed financial decision-making.

3. **Support** the development of effective Market Conduct frameworks that promote fair treatment, transparency, responsible business practices, competition, data protection, and effective complaints resolution mechanisms.

4. **Provide** practical guidance to policymakers and regulators on institutional arrangements, supervisory approaches, and regulatory interventions that support responsible and inclusive financial markets.

5. **Encourage** the adoption of proportionate and risk-based approaches that balance innovation, consumer protection, and financial inclusion objectives.

6. **Facilitate** peer learning and the dissemination of good practices across the AFI network through the sharing of member experiences and successful policy interventions.

7. **Contribute** to improved consumer trust, financial resilience, financial well-being, and sustainable usage of formal financial services.

This Policy Model is not intended to be legally binding, nor does it prescribe a single regulatory approach. Rather, it provides a voluntary and flexible framework that members may adapt to their respective legal, institutional, market, and developmental and country contexts. Jurisdictions may adopt its principles incrementally depending on institutional capacity, legal mandates and market maturity.

DEFINITIONS

The following key terms used in the Policy Model, are defined within a context as guided and defined as per international standards:

a. **"Financial consumer protection"** encompasses the "*laws, regulations, and institutional arrangements that safeguard consumers in the financial marketplace.*"[2]

b. **"Financial consumer empowerment"** describes a customer who is "*able to make informed choices about financial services, feels treated with dignity and respect regardless of transaction size, is able to voice an opinion which prompts accountability by the financial service provider and is able to exercise greater control over their use of financial services and consequently, their financial lives*".[3]

c. **"Financial well-being"** is defined as "*a state in which individuals are able to smoothly manage their financial needs and obligations, can cope with negative shocks, can pursue aspirations, goals and capture opportunities, and feel satisfied and confident about their financial lives, keeping in mind country specific circumstances*".[4]

SCOPE OF APPLICATION

The Policy Model and its contents are voluntary in nature, while serving as a guide for policy makers. It shall be used for the following purposes:

- To provide an informational overview of member examples across the AFI network in the development of financial consumer protection policies.
- To highlight complementary AFI and external knowledge products/publications that can complement existing financial consumer protection measures amongst members.
- To provide constructive but voluntary policy guidance for entities in the financial ecosystem. These include banks, capital market intermediaries, credit unions, sacco societies, microfinance providers, insurance companies, fintech providers and digital finance credit providers.

KEY GUIDING TENETS

Consumer Empowerment and Market Conduct frameworks should be guided by a set of guiding tenets that promote inclusive, responsible, and consumer-centric financial systems. These tenets apply across all pillars of the Policy Model.

- **Consumer Centricity -** Consumers should remain at the centre of financial sector policies, regulations, and supervisory interventions supporting positive financial outcomes.
- **Financial Inclusion and Well-being -** Measures should contribute to greater financial inclusion, financial resilience, and improved financial well-being for all consumers.
- **Inclusiveness and Equity -** Particular consideration should be given to the needs of target groups such as women, youth, older persons, persons with disabilities, forcibly displaced persons, and other underserved or vulnerable groups to ensure equitable access and outcomes. This is in line with a commitment to non-discrimination, universal accessibility with a focus on gender equity.
- **Proportionality and Responsible Innovation -** Regulatory and supervisory approaches should be proportionate to risks while supporting innovation that expands access to financial services without compromising consumer interests.
- **Transparency and Accountability -** All parties should communicate clearly, act responsibly, and be accountable for the fair treatment of consumers.
- **Collaboration and Coordination -** Effective consumer outcomes require cooperation among regulators, financial service providers, consumer organizations, policymakers, educational institutions, and other stakeholders.
- **Evidence based Policy Making -** Policy design, structuring and implementation should be guided by data-driven insights and evidence from on-the-ground dynamics to ensure it remains relevant and impactful for the population.

2 World Bank Report: An Introduction to Developing a Risk-based Approach to Financial Consumer Protection (2022)

3 CGAP Report: Customer Empowerment in Finance (2017)

4 G20 Policy Note on Financial Well-Being (2024)

4
KEY PILLARS

The Policy Model is built along the following pillars:

FIGURE 1. STRUCTURE OF THE CEMC POLICY MODEL

PILLARS

PILLAR 1
GOVERNANCE AND INSTITUTIONAL STRUCTURE
- Legal & regulatory frameworks
- Governance of regulated entities
- Institutional mandates
- Coordination mechanisms
- Stakeholder engagement

PILLAR 2
MARKET CONDUCT & COMPETITIVE DYNAMICS
- Fair treatment
- Product suitability
- Transparency & disclosure
- Responsible lending practices
- Responsible sales practices
- Consumer rights and redress
- Data protection & privacy
- Protection against frauds and scams
- Competition
- Consumer choice & trust
- Market access

PILLAR 3
SUPERVISORY TOOLS & INSTRUMENTS
- Market monitoring & surveillance
- Risk-based supervision
- Complaint analytics
- Mystery shopping
- Social media monitoring
- Sup-Tech
- Enforcement

PILLAR 4
CONSUMER CAPABILITY
- National Financial Inclusion Strategies
- National Financial Education Strategies
- Financial education
- Digital financial literacy
- Financial capability
- Financial awareness & well-being
- Consumer rights awareness
- Vulnerable and underserved groups

PILLAR 5
COMPLAINTS REDRESSAL
- Internal dispute resolution
- Alternative dispute resolution
- Consumer recourse

PILLAR 6
CROSS-CUTTING THEMES
- Rules for impact measurement
- Use of digitization across pillars
- Behavioral insights for consumer protection

A commitment to achieving these aims has been reflected in the suite of AFI Knowledge Products published, ranging from the *Market Conduct Supervision Toolkit, the State of Gender-sensitive Consumer Protection, the Digital Financial Literacy Toolkit, Advancing Fair Competition for Inclusive Digital Finance* and other publications centred on the advancement of consumer protection and strengthening of market conduct. This forms the basis for **a financial ecosystem that promotes responsible innovation and adopts solutions that are context-relevant** without a "one-size-fits-all" approach. The member examples reflected in this policy model will reflect to r**eaders the importance of concrete, market-conduct oriented steps to strengthen the development of a nation's financial ecosystem**.

PILLAR 1: GOVERNANCE & INSTITUTIONAL STRUCTURES

Depending on the size and complexity of the financial marketplace, it is imperative for regulators to develop governance guardrails to protect consumers. This includes taking a balanced approach that combines forward-looking, risk-based supervision with checks on compliance with existing laws and regulations. Further, it considers risks at the entity level, as well as at the financial ecosystem level. Financial consumer protection is most effective when supported by a coherent governance framework that provides legal and institutional clarity, along with strong collaboration among key stakeholders. The following guiding principles set out the core foundations for building such a framework.

GUIDING PRINCIPLE	RATIONALE	MEMBER EXAMPLES
1. Ensure a framework for consumer protection and market conduct supervision **that is supported by legislation, with powers to intervene through enforcement actions.**	A consumer protection strategy anchored by a consumer protection law, clearly outlines the scope of the regulator's powers, modes of intervention and stakeholders. Similarly, regulators need to analyse and understand the strengths and weaknesses of different institutional arrangements and supervisory methodologies to assess which works best for the market size and maturity for their jurisdiction.	In the Philippines, financial consumer protection (FCP) is anchored on the Financial Products and Services Consumer Protection Act (FCPA), which provides express authority to the **Bangko Sentral ng Pilipinas (BSP)**, and other financial regulators in the Philippines to protect financial consumers, and supervise the conduct of regulated financial institutions. The law provides five statutory rights[5] of financial consumers, which must be protected by financial institutions that serve them. Regulatory expectations from BSP-supervised institutions are laid out under BSP Circular No. 1160. Financial consumer protection in **Zambia** is guided by the **Banking & Financial Services Act 2026** and has been specifically designed to enhance consumer protection and market conduct supervision standards. It moves Zambia from a prudential-centric supervisory framework to a dual model that combines market conduct/consumer protection with prudential supervision.
2. Ensure financial consumer protection (FCP) is **treated as a financial inclusion priority** by regulators and financial service providers (FSPs).	Ensure regulators and wider stakeholders are aware of the critical nature financial inclusion plays in empowering communities. This enables consumer protection to be integrated across different arms and entities across the financial sector.	**The Bank of Zambia** also actively collaborates with peer regulators such as the Securities Exchange Commission of Zambia, the Pensions & Insurance Authority and the Zambian Competition & Consumer Protection Commission to ensure harmonisation of consumer protection standards and a clear understanding of their respective roles in the broader consumer protection mandate.
3. Ensure **clear institutional and organisational structures** are put in place amongst financial regulators, based on the size and maturity of the jurisdiction.	By outlining an institutional framework (i.e., which regulator covers what mandate), there is clarity of purpose and scope for the regulator, without the risk of undue duplication or ambiguity of purpose. Regulators are also able to select structures most appropriate based on market size, maturity and levels of access amongst the population.	The key reforms as part of the 2026 version of the Act include the following: a. Explicit statutory recognition of market conduct and financial consumer protection. b. Regulation of money lenders and alternative finance providers under the Bank of Zambia's supervision. c. Stronger requirements for disclosure, transparency and fair debt collection. d. Wider consumer protection coverage across the financial sector. e. Enhanced powers for the Bank of Zambia to supervise and enforce conduct standards.
4. Ensure **governance requirements for regulated entities** are in place.	Such an approach ensures that consumer protection responsibilities for personnel of regulated entities are highlighted as a foundational requirement.	

5 The five statutory rights of consumers under the law: (a) Equitable and fair treatment (b) Disclosure & transparency of financial products & services (c) Protection of consumer assets against fraud and misuse (d) Data privacy & protection (e) Effective redress

GUIDING PRINCIPLE	RATIONALE	MEMBER EXAMPLES
5. Ensure a **commitment to inter-agency coordination** to ensure clarity of mandates, goals and objectives amongst different stakeholders.	A clear understanding of where each agency fits into the overall regulation of financial consumer protection is critical to ensure the avoidance of "grey areas" and ambiguity, which could lead to mandate duplication.	In Tanzania, the **Bank of Tanzania Act 2006** anchors financial consumer protection in the country and provides the legal foundation for the Bank of Tanzania Financial Consumer Protection Regulations (BTFCPR, amended 2025). FSPs in Tanzania are required to have a Governance structure for financial consumer protection in place with roles & responsibilities from senior Management, focal persons and Board level representatives. Within the **Bank of Tanzania**, consumer protection is centralised into one department catering for all FSPs. The financial consumer protection mandate in **Malawi** is derived from its Financial Services Act (Cap 44:05), with subsidiary legislation issued as per Sec.34 of the Act. As per the act, the Governor of the Reserve Bank of Malawi is designated as the Registrar of Financial Institutions with a commitment to the highest standards of FSP business conduct as one of its key mandates.
6. **Collaboration with key partners (i.e., industry associations)** to ensure alignment across the public-private sector divide to advance financial consumer protection.	Frequent industry consultations prevent regulated entities and regulators from operating in silos, as the advancement of financial consumer protection can only succeed with joint, cohesive efforts.	The **State Bank of Pakistan (SBP)** derives its authority to regulate the consumer protection in Pakistan's banking industry through the State Bank of Pakistan Act 1956, the Banking Companies Ordinance 1962 and Microfinance Institutions Ordinance 2001. SBP applies proportionality to institutional design. For example, board-level oversight of financial consumer protection may sit with a dedicated board committee or an expanded Board Risk Management committee. Oversight at management level may be assigned to a new or existing committee. If a standalone market conduct function is not practical, it is expected that at the very least, a relevant function must operate independently of other business and operation units. In **Malaysia, Bank Negara Malaysia and the Securities Commission Malaysia** are guided by different Acts. In keeping with its mandate, Bank Negara is guided by Malaysia's Financial Services Act 2013, Central Bank of Malaysia Act 2009, Islamic Financial Services Act 2013, Insurance Act 1996, Development Financial Institutions Act 2002 (Act 618), Money Services Business Act 2011, Anti-Money Laundering, Anti-Terrorism Financing, Anti-Restricted Activity Financing and Proceeds of Unlawful Activities Act 2001 (AMLA) (Act 613) and the Currency Act 2020. Under these Acts, **Bank Negara has enforcement powers to uphold the integrity of the Malaysian financial system** (i.e., prosecution, written orders, reprimands, restitution). As Malaysia's capital market regulator, the Securities Commission Malaysia is governed by the Capital Markets And Services Act 2007 and is empowered to undertake enforcement activities in its capacity as a capital market regulator guided by the Act. The two agencies, although guided by different legislative Acts, actively promote sound financial consumer protection policies within their respective capacities across the financial system.

PILLAR 2: MARKET CONDUCT & COMPETITIVE DYNAMICS

Once a clear legislative and institutional framework has been developed, a natural extension would be to identify the principal building blocks and parameters that underpin sound market conduct. Market conduct supervision should be guided by effective and purposeful data-driven monitoring of the business practices, controls and operations of regulated entities. Therefore, it is imperative for regulators to appreciate the components of effective oversight. These include guiding principles on ensuring transparent & accurate disclosures of financial information, active efforts to promote the fair treatment of consumers and considerations to advance data privacy and protection. Once the regulatory ecosystem has inculcated these aspects into its regulations, the ecosystem for consumer protection in a jurisdiction becomes mature and responsive to developments in the market. Complementary to these are competition related concerns, which need to be addressed in tandem to ensure a complete and thorough supervisory process.

This pillar provides an overview of how to address these multi-faceted dynamics in a structured and constructive manner.

<table>
<tr><th>GUIDING PRINCIPLE</th><th>RATIONALE</th><th>MEMBER EXAMPLES</th></tr>
<tr><td>1. Develop a market conduct supervision framework guided by a structured process, scope of assessment and guided by available resources.</td><td>A structured market conduct framework, guided by close collaboration with prudential supervision with the aim of collective oversight, allows regulators to address market abuse in a systematic, effective and collaborative manner. This makes the safeguard of financial consumer protection more efficient.</td><td>The National Bank of Rwanda is part of an integrated supervisory framework that combines prudential and market conduct supervision that covers each aspect of the financial sector (except capital market products). The Bank also notes that a consolidated approach to supervision allows for ease of data sharing and sharing of experiences (as joint inspections include prudential and market conduct teams). However, the Bank notes that conflicts of interest may arise with this structure.

Similarly, the National Bank of Rwanda's Chapter 2 of Regulation N55/2022 requires financial service providers (FSPs) to integrate consumer protection in their structures from the Board of Directors level, Senior Management, staff as well as FSP representatives. Therefore, complaint/fraud reports or documents related to consumer protection should be discussed at each of these levels, with the possibility of specific staff, departments or committees put in place to examine issues of consumer protection, relative to the size and complexity of the FSP.</td></tr>
<tr><td>2. Issue regulations, guidelines and circulars setting clear standards to encourage transparency and accurate disclosures of key fact statements/ other financial documents.</td><td>A strong legal and institutional precedent sends a signal to regulated entities asserting the importance to take such measures and set it as a market norm.</td><td rowspan="2">The National Bank of Rwanda requires FSPs to publish tariffs on their websites, at physical offices and on the internet. The central bank has established a web comparator, an electronic platform accessible as a smartphone app where consumers are able to compare prices and make informed decisions. The central bank also requires all FSPs to publish their service charter indicating the services and products offered, requirements to access it as well as the timeline for the provision of these services. FSPs are required to issue documents to consumers in both hard and electronic copies, in languages they prefer or understand.

The National Bank of Rwanda additionally, requires FSPs to issue consumers a key fact statement before proceeding with any transaction with the FSP, communicate regularly with consumers in case of changes to fees and operational changes and to issue notifications to consumers on any transaction that happens on their accounts (as a protective measure). Account statements are also to be provided to consumers (free of charge, at least once per year) to verify transactions that occurred.</td></tr>
<tr><td>3. Take steps to disseminate information on transparency best-practices to ensure broad public awareness.</td><td>Such an approach ensures that the wider population and regulated entities are broadly aware on these best-practices and what constitutes behaviours that are detrimental to consumer protection.</td></tr>
<tr><td>4. Ensure information is provided in key local languages, and is appropriately shared on digital channels to ensure the same high standards of accessibility</td><td>A key component of consumer protection is the ability to safely understand information in a preferred language and in an appropriate manner with the medium of access (i.e., digital channels)</td><td>The Central Bank of Armenia's transparency and disclosure regulations are guided by its Regulation 8/03[6]. FSPs are required to maintain an official website where they publish and update key information[7]. The CBA also stipulates how information must be shared on public channels, protocols for advertising, steps to prevent misleading terms[8] and communication steps for contractual arrangements.</td></tr>
</table>

6 Regulation 8/03: "On Publication of Information by Banks, Credit Organizations, Insurance Companies, Investment Firms and Other Financial Institutions" (Approved by the Central Bank Board Resolution No.166-N, dated 2nd June 2009).

7 Key information to include on the website includes (a) General information about the institution, governance structure and ownership (b) Financial statements and other required financial information (c) Detailed descriptions of products & services, including pricing and conditions (d) Customer rights and complaint-handling procedures (e) Contact information & communication channels (f) Information on dispute resolution mechanisms (including access to the Financial System Mediator)

8 For example, financial institutions are prohibited from using terms such as "free", "0%" and other equivalent expressions in advertisements, announcements or any public communication related to credit products if such representations may mislead consumers on the true cost of the financial service offered.

GUIDING PRINCIPLE	RATIONALE	MEMBER EXAMPLES
5. Ensure **supervisory reviews covers a broad spectrum of activities** (i.e., marketing, disclosures, digital channels) to ensure consistency of standards across platforms.	It is important to ensure supervisory efforts cover all aspects of the regulated entities' dissemination of financial product information to ensure no gaps or inconsistencies which may confuse consumers.	**The Central Bank of Egypt** issued regulations on Key Fact Statements (KFS) for savings products in 2024 as a first implementation phase, encompassing standardised disclosure formats and unified Key Fact Statement (KFS) templates. As part of this process, draft KFS formats were tested through internal consultations with the CBE and consultation sessions with banks. A key component of these efforts includes the integration of KFS as part of contractual frameworks with minimum mandatory disclosure requirements (i.e., applicable interest rates, fees & charges). The **Bank of Tanzania** developed a price comparator portal with modules for FSP's submission of fees and charges. Once analysed and approved by the Bank, FSPs submit to the website where fees and charges are collectively viewed by consumers. Furthermore, a circular guidance of Key Fact Statements strengthens transparency on lending terms and conditions. The **Reserve Bank of Malawi** has issued transparency and disclosure requirements for five product categories, for savings, credit, pension, investment and insurance. The disclosure requirements stipulate the need for Boards of financial institutions to ensure the disclosure policies that align with minimum requirements for transparency and disclosure as prescribed by these Directives. Management of FSPs are also responsible for ensuring that the policy is adhered to by all staff. The Directives also outline enforcement actions in case of a breach of compliance. The Reserve Bank of Malawi, through these Directives also sets minimum disclosure requirements through key fact statements which requires a signature from both the consumer and the institution as proof that the consumer understands its contents. In 2022, the **Competition Commission of India** fined Google $113 million for "abusing" its dominant position on the app store to force app developers to use its in-app payment system. The Commission alleged that Google was implementing policies on its Google Play Store that required app developers to only use its payments system for distributing and selling apps/ in-app services. In 2021, **Chinese authorities** fined Alibaba USD2.75 billion for anti-monopoly violations and abuse of its dominant position. The findings assert that Alibaba had "abused market dominance" since 2015 by preventing its merchants from using other online e-commerce platforms. As of 2024, authorities have ended its antitrust review. **Bangko Sentral ng Pilipinas** (BSP Circular No. 1160) requires regulated entities to ensure that consumers are provided with clear, accurate and timely information about their financial products and services, including their terms, conditions, fees, risks, and benefits. BSP's conduct supervision covers disclosures across marketing materials, digital channels and other consumer-facing platforms to promote consistent transparency standards and timely disclosures.
6. **Ensure accountability for fair consumer treatment is extended to FSPs, agents and all third-party service providers** to ensure proactive action.	Establishing a base of compliance and commitment to fair treatment of consumers, anchored by legislation, which clearly mandates cascading responsibility across regulated entities, third-party agents and industry stakeholders ensures makes consumer protection and fair consumer treatment seamless. This approach ensures that consumers are aware of their rights and how to address malpractice to regulators should it happen.	**Bangko Sentral ng Pilipinas** establishes Fair Treatment of consumers as a core principle and requirement for regulated entities. They must ensure fair contract terms, a non-discriminatory client onboarding, professional code of conduct in dealing with consumers, and fair debt collection methods. These requirements also extends to third-party service providers contracted by regulated entities, through the solidary liability principle. The **National Bank of Rwanda's** Financial Service Consumer Protection Law encourages proactive transparency of information by requiring regulated entities to put in place the pricing model indicating the factors considered to determine a certain price of a product or service. Likewise, the regulation defines what constitutes fair treatment in forced loans recovery to avoid harassment of consumers. Alongside its complaints redressal infrastructure, the **Reserve Bank of Malawi** requires regulated entities to publicly display its poster on recourse steps. This serves as enabler of consumer rights awareness in Malawi, ensuring that consumers are aware of the central bank's role in protecting the population and advancing fair treatment.

GUIDING PRINCIPLE	RATIONALE	MEMBER EXAMPLES
7. Ensure that regulated entities actively take steps to ensure that **consumer data generated and processed is subject to appropriate data protection** and **privacy requirements.**	A commitment to strengthening risk management guardrails internally is an important long-term investment in the security of data stored and used. This ensures that policy makers maintain data protection policies that actively safeguard against any form of compromise while maintaining the ability to restore it to proper functionality if a breach occurs.	**Bangko Sentral ng Pilipinas** requires all regulated entities to implement governance, risk management, and control measures to safeguard consumer data and ensure its secure and lawful use, consistent with Philippine laws and rules on data privacy and cybersecurity. The central bank also implements the Anti-Financial Account Scamming Act (AFASA) which requires regulated entities to strengthen their fraud management systems, temporarily-hold disputed funds, perform coordinated verification of disputed transactions, and share information with law enforcement agencies on accounts suspected to be involved in money mule activities and social engineering scams. As per Part VII of the **Bank of Tanzania**'s Financial Consumer Protection Regulations (BTFCPR 2025 amendment), FSPs are required to implement appropriate security and control measures and are prohibited from sharing consumer information to third parties without consent (unless legally required to do so). The Bank also requires FSPs to collect & use consumer data for specified and legitimate purposes with policies implemented to ensure confidentiality and security, with protection of consumer information in alignment with the Personal Data Protection Act 2022. In April 2025, **Bank Negara Malaysia** and the Bank of Thailand have signed a Memorandum of Understanding to strengthen joint cybersecurity and digital fraud protection. The MOU will also focus on promoting effective information sharing, capacity building and the exchange of best-practices.
8. Ensure providers **allow fair access to essential infrastructure** and consumer-consented data sharing at reasonable terms.	The imperative of fair business competition is to ensure that service providers have equal and fair access to the platforms and infrastructure needed for the market to function effectively. Therefore, access to infrastructure enabling USSD, mobile money operators, data-driven mobile banking should be protected to prevent exploitative behaviours. Consumer ownership of data is essential to enable switching from one provider to another, depending on the evolving needs and preferences of the consumer.	**The Central Bank of Kenya** has played a key role, in partnership with the competition authority to facilitate inter-agent operability and level access across financial service providers. These developments have occurred in light of dynamics in Kenya's mobile money market in its earlier stages, when exclusivity agreements were signed with selected agents. **The Kingdom of Eswatini's** Fair Trading Act 2001 comes under the purview of its Competition Commission while its financial consumer protection mandates are covered separately by financial services laws. Financial consumer protection is also covered under the financial services laws including the Consumer Credit Act 2016, the FSRA Act 2010 and the Central Bank Order 1974. The FSRA has issued Policy Holder Protection Rules under the Insurance Act and is developing corporate governance standards for insurance, pensions, capital markets and credit & savings institutions. In 2022, the **Competition Commission of India** fined Google $113 million for "abusing" its dominant position on the app store to force app developers to use its in-app payment system. The Commission alleged that Google was implementing policies on its Google Play Store that required app developers to only use its payments system for distributing and selling apps/ in-app services. In 2021, **Chinese authorities** fined Alibaba USD2.75 billion for anti-monopoly violations and abuse of its dominant position. The findings assert that Alibaba had "abused market dominance" since 2015 by preventing its merchants from using other online e-commerce platforms. As of 2024, authorities have ended its antitrust review.
9. Ensure **providers refrain from unfair or anti-competitive practices** that reduces the utility of a competitor's product.	Minimising structural, regulatory and behavioural barriers to market entry and expansion enables consumers to select products and services in a fair and transparent manner.	

GUIDING PRINCIPLE	RATIONALE	MEMBER EXAMPLES
10. Ensure **coordinated action is taken against frauds and scams** in the banking/financial market ecosystem.	A dedicated unit in cooperation with law enforcement agencies and financial service providers to tackling financial crime, enables dedicated resources, time and effort specifically addressed and fraud prevention.	Hong Kong SAR's **Anti-Deception Coordination Centre** was set up by the Hong Kong Police Force under the Commercial Crime Bureau to consolidate all efforts within law enforcement in preventing scams/frauds. Its stated aims are the following: a. To formulate and implement strategic directions to combat deception. b. To provide instant telephone anti-deception consultation service for the general public to render timely assistance to those in need. c. To enhance the coordination amongst the Force, other government departments and local/overseas stakeholders to combat and prevent deception. d. To coordinate anti-deception publicity and education campaigns by various units of the Force and provide support to frontline units. e. To monitor and analyse the trend of deception cases, provide a risk evaluation and take timely actions. Malaysia's **National Scam Response Centre (NSRC)** is a similar multi-agency effort to tackling fraud/scams. In partnership with Bank Negara Malaysia, Royal Malaysian Police, Malaysian Communications and Multimedia Commission, Securities Commission Malaysia and other key public/private stakeholders.
11. Ensure emphasis is provided to the **maintenance of product suitability and responsible sales practices.**	Thorough checks on the behaviour of regulated entities in the sale of financial products actively protects consumers from unethical commercial practices.	In June 2026, the **Reserve Bank of India** issued an amendment to its framework on the advertising, marketing and sale of financial products and services by banks. Clear prescriptions of what constitutes mis-selling, a definition for "compulsory bundling" of financial products are included. Furthermore, banks are required to obtain "explicit consent" before selling any financial product/service, with such consent obtainable through physical or digital signatures, OTP-based approvals, digitally recorded confirmations or clearly demarcated consent sections within agreements. **Bangko Sentral ng Pilipinas**'s Financial Consumer Protection Framework requires regulated entities to practice responsible design, marketing, distribution and servicing of financial products and services. Regulated entities are required to conduct product suitability assessments, apply fair, reasonable market-based pricing practices, and preserve consumer choice when offering bundled financial products. They are also held responsible for the actions of their intermediaries and third-party agents.

PILLAR 3: SUPERVISORY TOOLS & INSTRUMENTS

As the structures for market conduct supervision begin to take shape and mature in a jurisdiction, regulators must avail of the right tools to fulfil its mandate effectively. As market conduct abuse becomes increasingly sophisticated with the use of artificial intelligence, unethical data collection and sophisticated fraud tactics to exploit unaware or vulnerable consumers, the methods for mitigation must likewise remain up-to-date and grounded in real-time market monitoring. The ability of regulators to make sense of multiple data points, connect the dots and pinpoint potential themes for further investigation is critical to achieve these aims.

Pursuant to this, the scope and coverage of supervision activities should also become increasingly granular, guided by a focus on risk-based supervision and a detailed plan for onsite and offsite supervision activities, based on observations of deviant market conduct. These observations of market conduct should be sourced from diverse sources (i.e., social media monitoring, mystery shopping) to ensure that these inspections are guided by a rich and varied pool of evidence.

The effective use of Suptech tools to guide monitoring and analysis can also enhance the regulator's data collection and analysis capabilities.

GUIDING PRINCIPLE	RATIONALE	MEMBER EXAMPLES
1. **Utilise regular market monitoring activities** based on up-to-date data points from on-the-ground market activities to enhance risk-based supervision.	It is important for regulators to have the ability to collect data points from multiple sources, collate these data points to find patterns of behaviour. By finding these patterns and pursuing these for further testing and assessment, a regulator's understanding of market dynamics becomes multi-faceted and detailed, enabling faster interventions and safer ecosystems.	**The State Bank of Pakistan's** CARE framework is designed for risk-based market conduct supervision and operationalizes the supervisory process through periodic offsite/onsite supervision and thematic reviews. Alongside this, is SBP's Market Monitoring Framework which provides on-the-ground intelligence through regulatory returns, complaints analysis, schedule of charges, mystery shopping and the scanning of websites/advertisements. Findings are rated on a risk scale from Low to High and control effectiveness assessed on a scale from Weak to Effective. **Bank Negara Malaysia** utilises a series of suptech solutions for market conduct supervision. These include IRIS (*Information Readable in Simple Terms*) and ISLA (*Insight-driven Social Listening for Alerts*) for the timely detection of emerging conduct issues and CLAUDIA (*Clause Assessment for Unfair Terms Detection in Agreements*) to measure the adoption of fair treatment of consumers by FSPs. These solutions utilise (amongst others) natural language processing, supervised machine learning and web-scraping. In **Peru**, the Superintendencia de Banca, Seguros y AFP ("**SBS Peru**") and fellow regulator Indecopi collaborate to ensure market conduct supervision activities are data-driven and consumer-centric. From data collection across social media platforms, information from regulatory bodies and supervised entities through to analysis and visualisation, it allows policy makers to understand the nuances of market dynamics in real-time.
2. **Adopt Suptech solutions** to further advance data analysis and collection capabilities, leveraging advances in Big Data and Artificial Intelligence .	Given the expanding amounts of data generated across the financial system, regulators require the ability to effectively analyse these data points for warning signs in an early and targeted manner, predicting unfair treatment from FSPs while these are still subtle and not easily detectable.	As such, Peruvian policy makers have the ability to collect and analyse complaints patterns by gender, age and across regulated entities, allowing for better insights both on financial inclusion levels and market dynamics to be obtained for further assessment. **Bank of Ghana's** ORASS (Online Regulatory Analytic Surveillance System) is a Suptech solution that supports the entire supervisory cycle from its regulatory reporting, licensing/regulatory transactions, risk-based supervision and analytics modules. This allows the Bank to collect large volumes of granular data and a single portal that also consolidates prudential data. This allows for consistent and objective enforcement actions, full integration across the supervision process and ultimately, a greater sense of public confidence.

PILLAR 4: CONSUMER CAPABILITY

While regulatory interventions are critical enablers of consumer protection, the development of financial literacy and financial capability in the advancement of financial well-being is a key long-term investment in the population to ensure its ability to independently make financial budgeting decisions, assess the legitimacy and appropriateness of financial products for investments, service debt in a timely and responsible manner.

Effective financial education measures will require a collective approach beyond the scope of regulators and policy makers, into wider society, educational institutions, law enforcement and the media. Embedding budgeting and financial education concepts in society from early childhood into university, removes the element of "foreignness" with the subject and will be seen as by children as an extension of the subjects they study at school. Conveying financial education concepts in an entertaining and engaging manner for the wider population (including adults) would enable the issue to be addressed for individuals who still lack financial education training despite having completed formal education.

GUIDING PRINCIPLE	RATIONALE	MEMBER EXAMPLES
1. Ensure a **clear and structured National Financial Education Strategy or Plan** is developed.	A clear strategy and tone set from decision making bodies gives a sense of urgency and direction to the market on the need for financial education, not just for more engaged access to financial products, but to advance financial well-being as a whole. Strategies must also have a well-defined target audience with differentiated actions per target group. A focus on women, vulnerable groups and behavioural sciences should be considered as appropriate.	As part of the **Bank of Tanzania's** Financial Consumer Protection Regulations (BTFCPR 2025 amendments), FSPs are required to make financial education central to their strategic plans. FSPs are also required to ensure Certified Financial Educators (CFEs) are used when conducting financial education activities publicly. The Bank is also collaborating with Tanzania's Ministry of Education, Science & Technology to embed financial education into the school curriculum. **The Central Bank of Armenia** has developed a financial education program within the national school curriculum (as a pilot in 2017 and scale from 2018 onwards), with almost 10,000 teachers trained in 4 years enabling broad reach across the Armenian schooling system. An e-learning platform for self-directed for adults has also been created to complement this roll-out.
2. Align delivery channels with the background and accessibility levels of the target group, **leveraging digital platforms** and online resources where applicable.	Given the importance of digital financial literacy as a component of financial education, regulators can avail of the widespread use of mobile phones/smartphones to ensure financial education reaches a wide spectrum of society. Online platforms, structured as modules or "games", makes the learning experience fun and rewards progress, securing buy-in from interested members of the public. Friends and family can compare their performances on different modules, and share learning experiences from each one for collective betterment. Inculcating communal learning through digital technology is thus able to advance financial education outcomes effectively. In the event of limited internet connectivity, a blended approach incorporating in-person activities, community workshops should be used to ensure equally effective engagement.	**The Superintendency of Banking, Insurance and Private Pension Fund Administrators (Peru),** in coordination with the Ministry of Education and other public institutions, implements the "Finanzas en el Cole" program to strengthen financial education in schools. Through this initiative, more than 36,000 teachers have been trained to support the implementation of Competency 19: "*Manages Economic Resources Responsibly*" within Peru's National Basic Education Curriculum, promoting the development of financial knowledge, skills, and attitudes from an early age. In **Rwanda**, financial education is a Government mandate through the participation of various institutions, including the central bank. Partnerships with public and non-public sector partners includes general financial education, education for youth/students to include financial education within the school curriculum, education for women and the creation of a Consumer Protection Forum made of influencers from Rwanda's 30 administrative entities representing diverse backgrounds. At the time of writing, the central bank is developing a self-paced e-learning platform for consumers.

GUIDING PRINCIPLE	RATIONALE	MEMBER EXAMPLES
3. **Ensure financial education start from early schooling years** to ensure a deep understanding of financial literacy by adulthood, complemented by digital based e-learning platforms for life-long learning.	By ensuring financial education is institutionalised as core part of the curriculum, it moves the subject from a peripheral idea to a key enabler of development and progress. By imbibing financial education from early years into tertiary education, the concepts of investing, budgeting and financial management are absorbed during the early stages of cognitive development; enabling children to appreciate the need for money for day-to-day activities as well as the need to appreciate to budget its use accordingly. As children mature into adults, these concepts are taught with new dimensions, to ensure the importance of financial education is respected at all stages of education. Likewise for adults new to the financial education, modules that are self-paced and fit to busy schedules, allow these same concepts to be taught in a manner suited for this group. It is important for regulators and external stakeholders to reflect on these issues deeply before rolling out any financial education initiative.	**The Reserve Bank of Malawi (RBM)**'s National Financial Literacy and Capability Strategy (2024-2030) integrates financial education into its broader market conduct and financial inclusion approach. At the entry stage, public and private entities are required to provide clear and user-friendly information at onboarding. The RBM also requires that all literacy programs include practical guidance on filing complaints and that FSPs report sex-disaggregated complaint data to allow for better targeted educational interventions. The Strategy also focuses on gauging behavioural change as part of its M&E framework. **Bangko Sentral ng Pilipinas** promotes lifelong financial education through strategic partnerships, digital learning platforms, and nationwide awareness initiatives. A key initiative is the BSP E-Learning Academy (BELA), a self-paced online learning platform offering courses on financial planning, budgeting, debt management, digital financial literacy, financial consumer protection, and other core financial capability topics. From April 2024 to June 2026, BELA recorded over 368,000 module enrolments. The BSP advances financial education through formal, non-formal, and informal learning by integrating financial education into the K–12 curriculum, piloting personal finance in higher education, supporting the Alternative Learning System for out-of-school youths, conducting nationwide awareness campaigns, and implementing its flagship Economic and Financial Learning Program, which promotes economic and financial literacy through learning sessions, workshops, and outreach initiatives nationwide. To further strengthen these efforts, the BSP is leading the development of the National Strategy for Financial Education to provide a coordinated, whole-of-nation framework for financial education. **The Central Bank of Egypt** is currently tackling financial literacy through 3 main dimensions; 1) The Consumer (through the delivery of financial awareness and education and defining the proper channels that ensure effective outreach and communications with an emphasis on digitization); 2) The Market players (through building up the capacity of Banks, Financial and non-financial Services Providers & Fintechs); 3) Policy makers (through the delivery of specialized programs in partnership with international universities and organizations

PILLAR 5: COMPLAINTS REDRESSAL

Regulatory approaches to complaints redressal increasingly emphasise proactive responses with regulated entities required to display greater commitment towards addressing consumer complaints in a timely and satisfactory manner. An ability to collect and collate complaints, screen for authenticity, investigate in a timely manner with clear avenues for appeal and a sense of "closeness" with the consumer increasingly drives expectations of the marketplace. As such, complaints redressal is no longer to be treated as a compliance line item by financial service providers, but rather a core component of safe, fair and competitive business practices while ultimately contributing to a secure macro-economic environment.

Complaints redressal requires analytical rigour with clear expectations on acceptable timelines for receiving, processing and addressing complaints. Likewise, regulators should develop an understanding of the different types of complaints or consumer requests in order to ensure context-specific and accurate data reporting for ease of further analysis.

The following guiding principles are a template for structuring an effective redressal structure for consumers as guided by select AFI members.

GUIDING PRINCIPLE	RATIONALE	MEMBER EXAMPLES
1. Adopt **a "customer first" approach** to redressal by: a. Adopting multi-tiered recourse structures b. Enable customers to lodge complaints in a seamless and convenient manner (i.e., chatbots) c. Where appropriate, anchor redressal procedures with legislation and/or guidance notes. d. Where necessary, strengthen internal resources for redressal as a consumer protection imperative e. Ensure complaints are addressed in a timely manner, with minimal unnecessary delays. f. Ensure that consumers have access to non-digital complaints avenues, if necessary.	An organisational framework anchored on consumer satisfaction and effective recourse would be geared towards results-driven outcomes. As such, effective recourse at both the internal and alternative dispute resolution levels, must remain committed to consumer welfare by transparent communication of outcomes in clear language. In order to engender a sense of urgency within the market, regulators should also consider issuing guidelines (in relation to existing anchor legislation) on specific steps and procedures FSPs should take to address complaints. Such measures ensure harmonisation of redressal measures across the market, ensuring consumers can avail of the same standards of recourse regardless of which FSP they use. As a decision is communicated, it should be done in a clear and transparent manner and in a language preferable to the consumer. FSPs should refrain from undue delays or procedural backlog when issuing these claims. As such, regular reporting to the regulator on overall complaints management, time to resolution and other data-driven analysis on the handling of such complaints, enables both regulators and FSPs to remain nimble and responsive.	**Bangko Sentral ng Pilipinas** requires regulated entities to establish a Financial Consumer Protection Assistance Mechanism (FCPAM) to ensure accessible and timely channels for complaints filing, handling, and resolution. The BSP also provides a second level recourse through the Consumer Assistance Mechanism (CAM) for concerns unresolved at the FCPAM level, which consumers may access through digital (i.e., chatbot) and other traditional (i.e., email, mail, telephone hotline) consumer assistance channels. Consumers in Haiti can communicate directly with the **Central Bank of Haiti** via email or in writing on any potential misconduct. The central bank will either (a) contact the FSP to better understand the issue and make recommendations to resolve the case (b) Consult with the CBH's legal department before making recommendations (c) Recommend to the Board to further investigate the matter by sending inspectors on-site after preliminary evaluation. Based on the findings, the FSP may (a) Be sanctioned with a formal warning letter for misconduct (b) Encouraged to find an entente with the client to close the issue (c) Choose to have recourse to appropriate legal procedures as necessitated by the case. Regulation 50 of the **Bank of Tanzania**'s Financial Consumer Protection Regulations (BTFCPR) empowers the Bank to issue guidelines on how FSPs receive, process and address consumer complaints. As such, the Guidelines for Handling Financial Consumer Complaints (2025) was published to establish a standardised approach to complaint management across FSPs. A Financial Complaints Management System was launched in June 2025 to enable consumers to submit complaints, track its status and receive responses via a website, mobile application or USSD platform. The **Reserve Bank of Malawi (RBM)** has a Financial Services (Complaints Handling) Directive (2024) which mandates FSPs to receive, acknowledge, investigate and resolve complaints within prescribed timelines. FSPs are required to maintain comprehensive records of complaints and communicate outcomes to consumers clearly. A complaints management return to the Registrar is to be submitted on a quarterly basis. Where the consumer remains dissatisfied, the Registrar is to provide an ADR mechanism to facilitate the resolution. The **Central Bank of Armenia** practices a three-level redress system. Firstly, a consumer submits a complaint to the FSP via its internal complaint-handling procedures. The second level of recourse is the Financial System Mediator if the matter is not resolved or the consumer is not satisfied. Lastly, if applicable, the matter may proceed through the courts or arbitration channels. The **Central Bank of Burundi** practices a three-level redressal system. A consumer first submits a complaint to the financial service provider via internal complaints handling procedures. A second tier if the issue is unresolved, is the Central Bank with the courts/judicial system if the issue is still not resolved. **The Central Bank of Egypt**'s Internal Dispute Resolution (IDR) Regulations in 2024 introduced a series of requirements which include a unified definition of "complaint", strengthened resources for banks' consumer protection units, mandatory centralised complaint databases, clear tiered procedures and specific rules for joint complaints and outsourced service providers. These measures complement an alternative dispute resolution (ADR) system through a structured mediation process with a dedicated unit in the Bank to facilitate a fair resolution within 30 days. The **State Bank of Pakistan's** complaints redressal architecture operates across multi-tiers. At the first tier, the Business Conduct & Fair Treatment of Consumers Regulatory Framework (BC & FRF) requires the establishment of an independent complaint-handling function with adequate resources and a centralised Complaints Management System. A second tier beyond the Bank level is the "Banking Mohtasib Pakistan", an independent statutory body to resolve disputes between consumers and banks. Other institutions may approach SBP's second forum redressal. At the regulated entity level, BC & FRF requires multiple complaint lodgement channels for regulated entities (i.e., email, websites, ATM hotlines). Complaints must be acknowledged within 48 hours. SBP's dedicated complaints management portal/mobile application (named "Sunwai") allows for a complaint lodgement, tracking and escalation process that is convenient to consumers, with appropriate escalation mechanisms to the central bank if needed.
2. Ensure efforts are made to **raise awareness** amongst consumers on the availability of recourse structures.	Policy makers are to ensure that appropriate awareness campaigns, with recourse information transparently disseminated, are conducted to spur consumers' inclination to address complaints and poor user experiences.	

PILLAR 6: CROSS-CUTTING THEMES

Across the guiding principles and examples shared as well as from consultations with AFI members, the following cross-cutting themes were identified as critical to all pillars to ensure successful policy implementation. An appreciation of the cross-cutting nature of these themes is especially critical as jurisdictions aim to ensure levels of consumer protection, particularly for vulnerable groups, is benchmarked against global norms even with a lack of clear prescriptive "commands". This allows for a uniform consumer protection "baseline" to be achieved, while cognisant of different market realities.

GUIDING PRINCIPLE	RATIONALE	MEMBER EXAMPLES
1. Ensure policy interventions are guided by **impact assessments, with clearly defined measurement parameters** to gauge policy implementation success.	Policy makers should actively promote and use M&E to assess the effectiveness of individual policy initiatives, with a particular focus on its impact on the welfare of consumers. By committing policy design and implementation to a process of evaluation and assessment, policy makers are able to quantify progress of financial education initiatives. An emphasis should be placed on measuring actual behavioural change amongst consumers.	**Malaysia's** National Strategy for Financial Literacy 2026-2030's key initiatives are to develop stronger partnerships with industry and civil society, provide better support for vulnerable groups while boosting the digital financial literacy of Malaysians. A monitoring & evaluation framework is introduced to set clear targets and to track the performance of the Strategy's mandates. It is an initiative that involves the central bank, capital market regulator and other stakeholders involved in financial literacy development. For example, the Strategy outlines an M&E plan by macro-level headline indicators and a micro-level delivery plan. At the macro level, headline indicators outline the shared aspirations to be achieved by 2030. These define common goals and the align the efforts of all stakeholders. At the micro-level, the delivery plan is the operational core of the strategy. It outlines how the strategic priorities will be accomplished, along with planned actions, a timeline, responsibilities across stakeholders and outcomes in the intermediate period. The evaluation of financial literacy initiatives is two-pronged. A Financial Education Measurement and Evaluation (FEME) Framework and annual National Financial Literacy Symposium will serve as an evaluation of individual initiatives. For assessing the overall financial literacy initiative, a triennial financial capability & inclusion demand side survey and annual financial literacy survey is conducted.
2. Adopt **digitalization as a conduit for advancing consumer protection** as DFS access becomes an integral component of financial inclusion.	There is an increased appreciation of the role digitalisation plays in advancing consumer protection. As access to the ecosystem of DFS products requires an ability to navigate various platforms and products, regulators can avail of these dynamics to further advance financial education initiatives. This ensures that better access to financial products is complemented by a deeper awareness of financial concepts and broader consumer rights.	**The National Bank of Tajikistan** utilises the Fingram Tajikistan Portal as an effort to utilise the adoption of digital financial services in Tajikistan as a catalyst for inculcating stronger financial consumer protection through education initiatives. As a free-to-access website, it contains educational materials on the fundamentals of financial literacy and is actively shared on social media platforms to reach a wide audience. These developments are in tandem with the National Bank's development of DFS regulatory frameworks (i.e., rules for remote identification, a single unified QR code). By both facilitating the growth of a DFS infrastructure in Tajikistan while improving financial education levels in the country,
3. Leverage **ongoing research into behavioural insights** to better shape regulations on consumer protection.	There is a need for regulators to appreciate the link between consumer behaviour and financial consumer protection. An informed understanding of behavioural insights allows for more targeted, effective and data-driven policy interventions.	**The Central Bank of Armenia** has extensive experience researching the impact behavioural insights has in improving consumer protection outcomes in its jurisdiction. It has collaborated with key international organisations (i.e., the OECD) to assess ways to improve the financial well-being and access of consumers, in a manner that minimises cognitive burden. Through the identification of target groups via clustering, needs-based assessments and expert opinions, the Central Bank actively studies the thought processes and cognitive biases of individuals to shape the way financial education is conducted, in a manner that is designed to ensure the lessons are absorbed and/or greater caution is exercised when using financial products. The Mexican financial market regulator (**"CNBV"**) has conducted research into the behavioural patterns of Mexican youth to better improve financial inclusion and access to this demographic.

The need for structured approaches to monitoring & evaluation (M&E) as part of an impact assessment initiatives, requires the attention of policy makers and all stakeholders involved in the implementation of national-level policies. As M&E is a granular exercise linking specific targets to actionable outcomes, clarity of policy design and a commitment to continuity (i.e., amidst personnel changes, changes in government) is key to successful implementation. AFI's *National Financial Education Strategies Toolkit* ("NFES Toolkit") offers an example of such an approach.

It approaches NFES policy design as a tri-bucket "*Pre-Formulation/Formulation/Implementation*" approach. Once the initial project design, timeline, governance structure lay-out, key stakeholder mapping, terms of reference and demand/supply side analysis is completed under Pre-Formulation, M&E considerations begin to take shape at the latter two stages. This allows M&E to be **guided by assessing whether the core objectives of a strategy have been met and what tools are needed to effectively measure such outcomes.**

FIGURE 2. M&E IN THE POLICY IMPLEMENTATION LIFECYCLE

ACTIVITY	STEPS	TOOLS
PREPARE FOR ROLLOUT	1. Align with best practices 2. Raise awareness 3. Build capacity 4. Pilot on small scale and revise	> Sample master TOT agenda > Observation checklist > Participant feedback > Trainer feedback
ROLLOUT PROGRAM	1. Conduct additional capacity building 2. Rollout at national and community level	> Observation checklist > Workshop satisfaction survey
CONDUCT MONITORING AND EVALUATION	1. Monitor and evaluate the performance, progress and impact of the NFES at national level 2. Monitor and evaluate the performance, progress and impact at a programmatic level	> Workshop satisfaction survey > Evaluation framework at national level > Pre and post test > Evaluation framework at program level

IMPLEMENTATION

A table layout of the Implementation stage of AFI's National Financial Education Strategies Toolkit. M&E procedures are designed and implemented once the initial governance structures, stakeholders and key goals of a policy have been developed. This allows the efficiency of clearly defined targets to be assessed for efficiency, an approach needed for impact assessment initiatives.

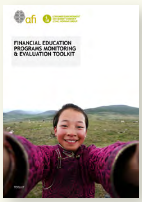
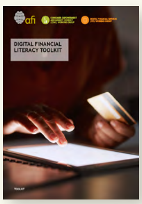
5
CONCLUSION

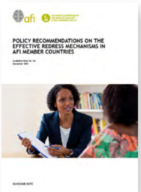
The policy model will support financial regulators and policy makers to develop a base of financial consumer protection safeguards that are comprehensive, consumer-first in approach and anchored by quantifiable progress metrics. Approaching the regulation of market conduct in a manner that provides structure, clarity, and driven by performance metrics will allow regulators to make the transition towards cementing consumer protection a key node in its macroprudential risk assessments. The document's contents also aim to highlight the inter-related nature of consumer protection, financial stability and ultimately economic resilience.

In a period of growing geopolitical and macroeconomic uncertainty, the focus of policy makers and regulators may swerve towards meeting the needs of immediate priorities. As unstable energy prices and global financial market upheavals impact the flow of capital, foreign direct investment and/or donor funding into emerging and least developed countries, macroprudential stability, sufficient capital buffers, price stability and employment may naturally take precedence amongst central banks wary of the negative effects global uncertainty would have on sustained domestic economic growth. Nonetheless, financial consumer protection should remain a core and critical mandate for each regulator, mindful that safe and well-protected consumers does not detract from macroprudential commitments, but serves to make the entire economic ecosystem more resilient to systemic shocks.

The guiding principles highlighted in the policy model can serve to enable members to attain a core baseline of standards harmonisation for financial consumer protection. In combination with the peer learning model AFI enables, the practical use of this document is hoped to play a role in strengthening the capabilities, ethos and success of our members in the pursuit of greater financial inclusion. While implementation pathways will differ across jurisdictions, the principles outlined in this Policy Model provide a common foundation for building trustworthy, inclusive and resilient financial systems.

SUMMARY OF AFI PUBLICATIONS

No.	PUBLICATION		RELATED PILLARS
1		Market Conduct Supervision - A Toolkit	Market Conduct & Competitive Dynamics Supervisory Tools & Instruments
2		Policy Model for Gender Inclusive Finance	Market Conduct & Competitive Dynamics Consumer Capability
3		Policy Model on Consumer Protection for Digital Financial Services	Market Conduct & Competitive Dynamics Consumer Capability Supervisory Tools & Instruments
4		Complaints Handling in Central Banks Toolkit	Complaints Redressal
5		Financial Education Programs Monitoring & Evaluation Toolkit	Consumer Capability
6		National Financial Education Strategies Toolkit	Consumer Capability
7		Digital Financial Literacy Toolkit	Consumer Capability

No.		PUBLICATION	RELATED PILLARS
8		Integrating Vulnerable Groups in National Financial Education Programs & Strategies	Consumer Capability
9		Financial Competency Matrix for Children & Youth	Consumer Capability
10		Policy Recommendations on the Effective Redressal Mechanisms in AFI Member Countries	Market Conduct & Competitive Dynamics
11		Guideline Note on Data Privacy for Digital Financial Services	Market Conduct & Competitive Dynamics
12		The State of Gender Sensitive Consumer Protection	Governance & Institutional Structures Consumer Capability Market Conduct & Competitive Dynamics
13		Advancing Fair Competition for Inclusive Digital Finance	Market Conduct & Competitive Dynamics
14		Changing Habits to Improve Lives: Lessons of a Behavioural Program to Promote Financial Inclusion among Young People in Mexico	Cross-Cutting Themes

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ANNEXURES

List of AFI Member Contributions

Bangko Sentral ng Pilipinas

PILLARS:

1. STRATEGY AND GOVERNANCE

Financial consumer protection in the Philippines is anchored on the Financial Consumer Protection Act (FCPA),[9] which mandates the Bangko Sentral ng Pilipinas to promote high standards of consumer protection across BSP-supervised institutions (BSIs) through a comprehensive Financial Consumer Protection (FCP) Framework.[10]

Under the FCPA and its implementing rules and regulations, BSIs are required to establish a board-approved Consumer Protection Risk Management System (CPRMS) that forms part of their corporate governance and enterprise-wide risk management. This includes structures, policies, and risk identification, measurement, monitoring, and mitigation processes.

The FCPA establishes five statutory rights of financial consumers: (a) equitable and fair treatment; (b) disclosure and transparency of financial products and services; (c) protection of consumer assets against fraud and misuse; (d) data privacy and protection; and (e) effective redress. These standards are embedded at the board and senior management levels, supported by clearer accountability and enhanced supervisory oversight.

2. TRANSPARENCY AND DISCLOSURE

BSP Circular No. 1160 operationalizes the Disclosure and Transparency standard under the FCPA by requiring BSIs to ensure that financial consumers are provided with clear, accurate, and timely information sufficient to enable a reasonable and comprehensive understanding of the products and services they acquire or avail.

Supervisory reviews cover marketing materials, digital channels, and disclosure practices to assess compliance with transparency standards. Ongoing considerations include ensuring effective disclosure in digital channels and addressing risks of information overload.

9 Republic Act No. 11765

10 Through BSP Circular No. 1160, one of the main implementing rules and regulations (IRRs) of the FCPA.

3. FINANCIAL LITERACY AND CONSUMER EDUCATION

Financial education complements consumer protection by strengthening consumer capability and awareness of rights and redress mechanisms.

Survey data indicate persistent gaps in financial literacy and awareness of consumer protection and redress mechanisms. The 2021 Financial Inclusion Survey (FIS), for example, highlighted limited financial literacy among adults[11] and noted that many individuals who experienced scam-related losses did not formally report the incident to their financial service provider.[12] Meanwhile, the Global State of Scams 2025 indicates that exposure continues to be widespread and increasingly frequent.[13]

In response, the BSP strengthens fin-ed to complement its financial consumer protection initiatives by improving awareness of rights, fraud risks, and redress mechanisms. Most fin-ed programs are delivered through partnerships with government agencies, private institutions, industry associations, and civil society organizations, enabling nationwide reach.

The BSP also leverages digital platforms such as the BSP E-Learning Academy, which offers self-paced modules on financial consumer protection, fraud and scam prevention, and digital financial literacy. In addition, the BSP promotes safe digital financial practices and scam awareness across online and media platforms through its Digital Financial Literacy Campaign.

From 2020 to 2025, Digital Financial Literacy sessions and related financial learning initiatives reached over one million participants nationwide.

4. FAIR AND EQUITABLE TREATMENT OF CONSUMERS

The FCPA establishes Fair Treatment as a core principle, requiring BSIs to act honestly, fairly, and professionally in their dealings with financial consumers.

Under the FCP Framework, BSIs must ensure fair contract terms, non-discriminatory conduct, and fair debt collection practices, and product suitability based on the consumer's needs, financial capacity, and risk profile. Oversight extends to third-party service

11 Results of the 2021 FIS show that only 2% of Filipino adults correctly answered all six basic financial literacy questions, although 69% were able to answer at least half correctly.

12 Findings from the 2021 FIS show that 11% of adults reported losing money due to scams, with reporting rates remaining low, wherein 82% of those who experienced issues or scams did not report the incident to their financial service provider

13 Among 1,000 Filipino adults surveyed, 77% encountered at least one scam in the past year, averaging 239 scam attempts per person annually. Of those exposed, 65% reported being successfully scammed, and 31% experienced financial loss. While 74% of victims reported the incident to a provider or platform, only 11% were able to recover any funds.

providers and outsourced activities by reinforcing solidary liability between BSIs and their agents.

BSIs are required to maintain appropriate internal controls and oversight mechanisms, including monitoring of third-party conduct. While compliance culture may have improved, supervising rapidly evolving digital lending models and outsourced arrangements continues to require enhanced supervisory tools and coordination.

5. RESPONSIBLE BUSINESS CONDUCT AND COMPETITION

Responsible business conduct is embedded within the FCP Framework through standards of conduct that apply to the design, offering, marketing, distribution, and servicing of financial products and services.

The BSP also holds BSIs responsible for the actions of their intermediaries and third-party agents, through the principle of solidary liability for acts or omissions that affect financial consumers. This approach reinforces accountability across distribution channels and promotes fair treatment and responsible conduct in the delivery of financial services.

BSIs are also required to conduct suitability assessments to ensure that financial products and services are appropriate to consumers' needs, risk profile, and financial capacity, helping to prevent mis-selling and support informed decision-making. They are likewise required to adopt and implement Codes of Conduct applicable to directors, officers, staff, and third-party representatives, promoting standards of professional behavior and consumer protection within governance and day-to-day operations.

These requirements support responsible business conduct across product design, marketing, distribution, and post-sale servicing and reinforce institutional accountability in the provision of financial products and services.

6. ROBUST COMPLAINTS HANDLING

The FCPA recognizes Effective Recourse as a core consumer protection standard. BSP Circular No. 1169 operationalizes this principle by requiring BSIs to establish a Financial Consumer Protection Assistance Mechanism (FCPAM) to ensure that financial consumers have accessible and timely channels for lodging complaints and seeking resolution. BSIs are required to acknowledge, investigate, and resolve complaints within prescribed timelines, maintain records of complaints, and communicate outcomes clearly to consumers.

The BSP provides a second-level recourse mechanism through its Consumer Assistance Mechanism (CAM) for concerns that remain unresolved at the FCPAM. In 2020, the BSP issued Memorandum No. M-2020-059, introducing its Consumer Assistance Management System with Chatbot Functionality (BSP Online Buddy or BOB) to provide consumers with a convenient and efficient complaints platform.

To date, BOB serves as the primary channel for handling complaints under the BSP CAM. Of the 70,112 complaints received in 2024, 94.33% were directly initiated by consumers through the BSP Online Buddy (BOB) chatbot.

BOB is continually undergoing enhancements to improve its responsiveness to support the BSP's ability to provide complaints data as input to policy formulation and evidence-based supervision.

7. DATA PROTECTION

Increased digitalization of financial services has heightened the importance of safeguarding consumer data and ensuring responsible data governance. Within the FCP Framework, the BSP requires BSIs to protect client information, including maintaining the confidentiality, integrity, and appropriate use of financial consumer data.

To address risks arising from data misuse and cybersecurity threats, the BSP has strengthened regulations on information technology risk management, cybersecurity governance, outsourcing risk, and incident reporting, aligned with the Data Privacy Act. BSIs are required to implement robust data protection controls, maintain cybersecurity safeguards, and ensure oversight of third-party providers that process or store consumer information.

Cybersecurity governance frameworks and breach reporting practices continue to be reinforced across BSIs. Legislative measures such as the Anti-Financial Account Scamming Act (AFASA) [14] and its implementing rules[15] further support these safeguards by strengthening mechanisms to address fraud and unauthorized account access. Together, these measures reinforce the protection of consumer data and support resilience and accountability across the financial sector.

14 Republic Act No. 12010
15 BSP Circular No. 1213, 1214, and 1215

8. LEGAL, REGULATORY, AND SUPERVISORY FRAMEWORKS

The legal and regulatory framework for financial consumer protection in the Philippines is primarily anchored on the FCPA. The law designates multiple financial sector regulators—including the BSP, Securities and Exchange Commission (SEC), Insurance Commission (IC), and Cooperative Development Authority (CDA)—as financial regulators responsible for implementing consumer protection standards within their respective jurisdictions.

Within this framework, the FCPA strengthened the BSP's mandate to promote consumer protection standards across BSIs. It authorizes the BSP to issue binding regulations, implement market conduct supervision, investigate violations, and impose administrative sanctions, including monetary penalties.

BSP Circular No. 1160, the main implementing regulation of the FCPA, establishes the FCP Framework through enforceable standards on disclosure and transparency, fair treatment, protection of client information, effective recourse, and safeguards against fraud and misuse of consumer assets. This Circular also requires BSIs to adopt Board-approved CPRMS and embed consumer protection within corporate governance, internal controls, and enterprise-wide risk management frameworks.

Complementing this framework, **BSP Circular No. 1169 prescribes the rules that govern the handling of complaints filed with the BSP by financial consumers against BSIs. It also r**equires institutions to establish internal mechanisms for the fair and timely resolution of complaints.

The BSP is also developing its Consumer Protection Supervision Framework, which introduces a risk-based approach to assessing activities of BSIs that pose consumer harm. The framework is intended to strengthen supervisory assessments by providing a more structured methodology for evaluating compliance with financial consumer protection standards and identifying areas of heightened conduct risk.

In parallel, the **AFASA and its implementing rules and regulations** reinforced the FCP Framework by addressing risks associated with digital fraud and online scams. It defines prohibited acts, strengthens coordination among regulators and law enforcement, and authorizes the prompt freezing or blocking of suspicious accounts. Its IRRs set reporting obligations, action timelines, information-sharing protocols, and enhanced due diligence requirements and institutionalize inter-agency cooperation for swift enforcement and asset recovery.

Together, these legal, regulatory, and supervisory measures form the foundation of the Philippines' financial consumer protection regime and support the consistent implementation of consumer protection standards across financial products, services, and delivery channels.

Bank of Tanzania

PILLARS:

1. STRATEGY AND GOVERNANCE

Financial consumer protection in the United Republic of Tanzania is anchored on the Bank of Tanzania Act, 2006 which provides for the legal foundation and mandate for the Bank of Tanzania to develop the Bank of Tanzania (Financial Consumer Protection) Regulations, 2019 (and its amendments 2025) "BTFCPR" and issued by the Ministry of Finance. The BTFCPR aims at promoting fair and equitable treatment of consumers with an effective and structured Governance and approaches and tools by both BOT[16] and financial service providers (FSPs) under the regulatory ambit of BOT. The operationalization of the BTFCPR is done through regulatory (guidelines[17] and circulars and public notice) and supervisory (frameworks[18] and guides).

The BTFCPR requires FSPs to have in a place a Governance structure of financial consumer protection matters by stipulating roles and responsibility from senior Management, focal person to Board level. Further requires FSPs to put in place, policies, procedures, systems, and processes on handling consumer matters as well as risk identification and mitigation measures forming part of the wide enterprise risk management.

At the BOT level, the Bank has centralized the consumer protection role to be under one department of consumer protection catering for all FSPs (banks and financial institutions, Non-Bank Payment System Providers and Microfinance Service Providers). Further, understanding the cross-cutting nature of consumer matters that can need cross collaboration with

16 BOT means Bank of Tanzania

17 Guidelines currently in place include fees and charges guidelines; complaints handling guidelines for FSPs

18 Frameworks currently in place include Market Conduct Supervision Framework.

external stakeholders[19] the Bank developed an internal framework[20] that ensure effective collaboration and coordination in handling consumer matters emanating from FSPs under BOT purview. Furthermore, leveraging on the geographical disparity of the country, the Bank developed a collaborative guide for handling complaints across the Bank.

The BTFCPR forms ground for seven standards: (a) fair and equitable treatment of consumers; (b) financial education and awareness; (c) disclosure and transparency; (d) responsible business conduct; (e) protection of consumers' assets and information; (f) competitive environment and (g) effective redress and consumer handling mechanism. These standards are embedded at the Governance level of FSPs with rigorous supervisory oversight from BOT.

2. TRANSPARENCY AND DISCLOSURE

Bank of Tanzania guidelines for fees and charges enhances transparency and disclosure as well fair fees and charges, with a role of approving or disapproving fees in the market. To effectively monitor compliance of fees and charges, BOT has developed a price comparator portal which has modules for FSPs submission of fees and charges, then BOT analyses and reviews then once approved FSPs can submit to the website where the fees and charges are collectively viewed by consumers for enhanced financial decision making. Further, the circular guidance of Key Fact Statement reinforces transparency on lending terms and conditions on a standard approach to ease consumer decision making.

Conduct off site surveillance through market intelligence by reviewing websites and social media for advertisement, mystery shopping of digital channels and displayed Information on conspicuous places in the premises to assess compliance with transparency and disclosure standards.

3. FINANCIAL LITERACY AND CONSUMER EDUCATION

Financial literacy and consumer education are integral components of a robust consumer protection framework, as they equip consumers with the knowledge, skills, and confidence needed to make informed financial decisions and engage effectively with financial service providers.

The Bank of Tanzania (Financial Consumer Protection) Regulations, 2019, as amended in 2025 (BTFCPR), establish binding obligations on Financial Service Providers (FSPs) to actively contribute to the financial literacy of their consumers. Notably, the 2025 amendments represent a significant policy shift, elevating financial education from a discretionary activity to a core strategic obligation. FSPs are now required to incorporate financial literacy objectives into their institutional strategic plans and to develop corresponding action plans that set out measurable targets and implementation timelines.

To promote consistent quality in the delivery of financial literacy programmes, the BTFCPR require that FSPs to use Certified Financial Educators (CFEs) when conducting public financial education activities. The CFE programme is conducted by the Bank of Tanzania in partnership with designated academic institutions, and is open to individuals, public and private organisations, financial sector regulators, and FSPs.

Beyond the FSP-level obligations, the Bank of Tanzania in is collaborating with the Ministry of Education, Science and Technology (MoEST) has taken deliberate steps to embed financial literacy within the broader education system from primary to secondary schools in the subject of maths and business studies, respectively. The Bank is collaborating with MoEST has developed guidelines for incorporating financial literacy into the higher learning institutions curricula, addressing the systemic challenge of low financial literacy at an early stage. This initiative reflects a long-term approach to building a financially capable citizen and ensuring that foundational financial knowledge reaches Tanzanians at an early age, before they enter the financial system as active consumers.

4. FAIR AND EQUITABLE TREATMENT OF CONSUMERS

Under the Bank of Tanzania (Financial Consumer Protection) Regulations, 2019 and the 2025 Amendments, the principle of Fair and Equitable Treatment of Consumers is a central pillar of market conduct supervision. It is primarily addressed under Part III (Regulations 10–17) of the Regulations, with supporting provisions in other parts that reinforce fairness in the relationship between financial service providers (FSPs) and consumers. Fair and equitable treatment requires that financial service providers treat consumers honestly, fairly, and without discrimination throughout the lifecycle of financial products and services, from product design and marketing to contract execution and termination.

The objective is to ensure the Protection from abusive, deceptive, or unfair practices, balanced contractual relationships, access to suitable financial products, and Freedom to choose and switch providers.

19 External stakeholders like the law enforcement organ, police, other financial sectors regulators or the Ministry of Finance.

20 Bank of Tanzania (Financial Consumer Protection) Framework, 2023.

This principle aligns with global consumer protection frameworks such as the G20 High-Level Principles for Financial Consumer Protection, which emphasize fair treatment as a core regulatory goal.

The effective implementation of fair and equitable treatment aims to achieve the Consumer trust in the financial system, Responsible product design and distribution, Reduction of consumer complaints, Improved financial inclusion and Healthy competition in financial markets.

5. RESPONSIBLE BUSINESS CONDUCT AND COMPETITION

Under the Bank of Tanzania (Financial Consumer Protection) Regulations, 2019 and the 2025 Amendments, Responsible Business Conduct requires financial service providers (FSPs) to conduct their operations ethically, transparently, and professionally when dealing with consumers. FSPs must provide timely responses to consumer inquiries, ensure that advertisements and promotional materials are truthful and not misleading, and offer financial products that are suitable for the consumer's needs and financial capacity. The regulations also require providers to assess the consumer's creditworthiness before granting credit, in order to prevent over-indebtedness and irresponsible lending. Additionally, the BFCPR require accountability in debt management practices. When a financial institution sells or transfers a consumer's debt to another entity, it must notify the consumer, clearly state the outstanding amount, and provide the contact details of the new creditor and payment arrangements. These provisions aim to ensure transparency, protect consumers from abusive debt collection practices, and maintain responsible conduct throughout the lifecycle of financial services.

The BFCPR promote a fair and competitive financial market environment. The Bank of Tanzania is mandated to discourage anti-competitive practices such as exclusive arrangements, tying of financial products, and undisclosed charges. Financial service providers must publish their interest rates, fees, and charges regularly and ensure that consumers can freely switch between providers without unnecessary restrictions. These measures enhance transparency, promote consumer choice, and encourage healthy competition in the financial sector.

6. ROBUST COMPLAINTS HANDLING

The BTFCPR establish a framework governing the receipt, review, and resolution of complaints from consumers of financial services. The Regulations provide guidance on how FSPs should handle complaints and outline the role of BOT as an appellate and supervisory authority where complaints remain unresolved at the FSP's level. They also set out key provisions regarding the right of financial consumers to lodge complaints, the channels through which complaints may be submitted, timelines for complaint resolution, the criteria for escalating complaints to the BOT the levels of dispute resolution available at the BOT, possible remedies or awards, and the powers of the BOT in handling financial consumer complaints.

Regulation 50 of the BTFCPR empowers BOT to issue guidelines on how FSPs should receive, process, and determine consumer complaints. Pursuant to this mandate, BOT issued the Bank of Tanzania Guidelines for Handling Financial Consumer Complaints, 2025, which establish a standardized approach to complaint management across FSPs.

In addition, to strengthen complaint handling mechanisms, the Bank of Tanzania launched the Financial Complaints Management System (FCRS) in June 2025. The system is accessible through a website, mobile application, and USSD platform, enabling consumers to submit complaints, track their progress, and receive responses. Since its introduction, approximately 95 percent of complaints submitted to the Bank have been received through this platform.

BOT is also enhancing the system by integrating it with the complaint management systems of Financial Service Providers to create a centralized complaints mechanism and by introducing a chatbot to support consumer education and improve service delivery.

7. DATA PROTECTION

Under the Bank of Tanzania (Financial Consumer Protection) Regulations, 2019 and the 2025 Amendments, Data Protection is addressed under Part VII – Protection of Consumers' Assets and Information (Regulations 35–39). The regulations require financial service providers (FSPs) to implement appropriate security and control measures to protect consumers' financial and personal information. FSPs are prohibited from sharing consumer information with third parties unless the consumer has given consent or where disclosure is required by law. BFCPR further require FSPs to collect and use consumer data only for legitimate and specified purposes, and within the limits permitted by the regulations and applicable laws. Institutions must establish clear rules governing the collection, use, retention, and handling of consumer data, ensuring that such data is used only for the purpose for which it was collected and handled in compliance with relevant legal frameworks such as anti-money laundering requirements.

Financial service providers must also implement policies and procedures to ensure the confidentiality, security, and integrity of consumer information, including personal details, account records, and transaction data. Access to consumer data must be restricted based on staff roles, and institutions are liable for misuse or breaches of consumer information. The 2025 amendment further strengthens this requirement by requiring protection of consumer information in accordance with the Personal Data Protection Act, 2022 reinforcing stronger privacy and data protection standards in the financial sector.

8. LEGAL, REGULATORY, AND SUPERVISORY FRAMEWORKS

In the United Republic of Tanzania, the financial sector is supervised by several regulatory authorities responsible for overseeing different segments of the financial system and protecting financial consumers. These include the Bank of Tanzania (BOT), which oversees banks, financial institutions, microfinance service providers, and payment service providers; the Capital Markets and Securities Authority (CMSA), which regulates capital markets and investment intermediaries; and the Tanzania Insurance Regulatory Authority (TIRA), which supervises insurance providers. Through their respective mandates, these authorities contribute to promoting fair market conduct, transparency, and consumer protection across the financial sector.

Within the banking, microfinance, and payment systems sectors, the Bank of Tanzania plays a central role in enforcing consumer protection requirements and supervising the conduct of financial service providers under its regulatory purview. In addition to its core mandate of maintaining financial system stability, the central bank oversees compliance with sector-specific laws such as the *Banking and Financial Institutions Act, 2006, the National Payment Systems Act, 2015, and the Microfinance Act, 2018,* which together establish the regulatory basis for responsible conduct in the provision of financial services.

To operationalize consumer protection requirements, the *Bank of Tanzania implements the Bank of Tanzania (Financial Consumer Protection) Regulations, 2019 (as amended 2025) (BTFCPR)*. These regulations set enforceable obligations for regulated financial service providers in their dealings with consumers. They establish standards that guide institutions in areas such as product disclosure, transparency in pricing and terms, protection of consumer information, responsible business conduct, and mechanisms for consumer complaint resolution.

Financial service providers regulated by the Bank of Tanzania are required to implement internal systems that enable the effective management of consumer complaints and ensure the timely and fair resolution of disputes, in accordance with the *Guidelines for Handling Financial Consumer Complaints*, 2025 issued by the central bank. Where consumers are dissatisfied with the outcome of complaints handled at the institutional level, they may escalate the matter to the Bank of Tanzania for regulatory review and possible intervention.

From a supervisory perspective, the Bank of Tanzania applies market conduct supervision to assess compliance with financial consumer protection standards in line with its Market Conduct Framework. This supervisory approach combines off-site surveillance, which involves the review of regulatory reports and complaint data submitted by financial institutions, with on-site examinations that assess institutional practices and controls related to consumer protection. Complaint data received by the central bank is systematically analyzed to identify trends, recurring issues, and potential indicators of consumer harm. Insights derived from this analysis support risk-based supervisory planning and may inform targeted inspections of institutions exhibiting heightened conduct risks.

In response to the rapid expansion of digital financial services, regulators in Tanzania are also strengthening supervisory responses to emerging consumer protection risks, including digital lending, fraud, unauthorized transactions, and the misuse of consumer information. Continued coordination among financial sector regulators and other relevant authorities, including the Tanzania Communications Regulatory Authority (TCRA), the Fair Competition Commission (FCC), the Tanzania Insurance Regulatory Authority (TIRA), and the Capital Markets and Securities Authority (CMSA) has been essential in addressing cross-sector risks and ensuring consistent consumer protection standards across the financial ecosystem, particularly in relation to digital fraud and online lending scams.

Collectively, these legal, regulatory, and supervisory arrangements support the effective implementation of financial consumer protection standards across financial products, services, and delivery channels, thereby enhancing consumer confidence, promoting responsible market conduct, and contributing to the stability and integrity of the financial sector.

Central Bank of Armenia

Central Bank of Armenia

TRANSPARENCY AND DISCLOSURE

I. The Central Bank of Armenia (CBA) has established a comprehensive regulatory framework governing transparency and disclosure requirements for financial institutions, in accordance with Regulation 8/03 "On Publication of Information by Banks, Credit Organizations, Insurance Companies, Investment Firms and Other Financial Institutions", approved by the Central Bank Board Resolution No. 166-N dated 2 June 2009[21].

The regulation defines minimum requirements and procedures for the disclosure of information related to financial institutions and their services, with the objective of ensuring that consumers have access to clear, accurate and timely information when making financial decisions.

KEY PRINCIPLES OF DISCLOSURE

Financial institutions are required to adhere to the following overarching principles when disclosing information:

- **Accuracy and reliability:** All disclosed information must be consistent with the actual terms and conditions of the services offered and must not be misleading.
- **Completeness and timeliness:** Information should be provided in a comprehensive manner and updated promptly to reflect any changes.
- **Clarity and accessibility:** Information must be presented in simple, understandable language, avoiding overly technical or ambiguous terminology, and tailored to a "representative consumer" with no specialized financial knowledge.
- **Consistency across channels:** Information disclosed through different channels (websites, advertisements, brochures, etc.) must be consistent.
- **Balanced presentation:** Where benefits of a product or service are highlighted, associated risks must also be clearly disclosed.
- **Channels of Disclosure:** The regulatory framework requires disclosure through available communication channels to ensure broad accessibility.

21 https://www.arlis.am/hy/acts/201310

1. Institutional Websites

Financial institutions are required to maintain an official website where they publish and regularly update key information, including:

- General information about the institution, governance structure, and ownership
- financial statements and other required financial information
- Detailed descriptions of products and services, including pricing and conditions
- Customer rights and complaint-handling procedures
- Contact information and communication channels
- Information on dispute resolution mechanisms, including access to the Financial System Mediator

Any changes to the required information must be published on the website without delay, and no later than three working days, unless a different update period is specified by law or regulation.

2. Public Disclosure via Media

Certain information, such as audited financial statements and material changes (e.g., capital changes), must also be disclosed through mass media channels in accordance with regulatory requirements.

3. Advertising

Advertising materials must include essential information, such as contact details and references to the institution's website, and must not contain misleading or incomplete representations of financial products or services.

RESPONSIBLE ADVERTISING AND PROHIBITION OF MISLEADING TERMS

In addition to general disclosure requirements, the Central Bank of Armenia imposes specific restrictions aimed at preventing misleading advertising practices in financial services.

Financial institutions are prohibited from using terms such as "free", "0%", or other equivalent expressions in advertisements, announcements, or any public communications related to credit products, where such representations may mislead consumers regarding the true cost of the service.

This requirement reinforces the principle that:

- all costs associated with financial services must be fully and transparently disclosed,

- consumers must not be misled by nominal or partial pricing representations,
- and marketing communications reflect the actual cost of the service
- Consumer-Centric Approach

A key feature of the Armenian framework is the concept of a “representative consumer”, which guides how information should be presented. Disclosures must be designed taking into account the characteristics of a “representative consumer” as defined by regulation.

COMPLAINTS AND REDRESS TRANSPARENCY

Institutions must clearly disclose: procedures for submitting complaints, available communication channels, and the right of consumers to refer to the Financial System Mediator.

II. In addition to disclosure requirements, the Central Bank of Armenia places strong emphasis on the **transparency, quality, and continuity of communication between financial institutions and consumers**, as established under Regulation 8/05 “On Business Conduct Rules of Financial Institutions”, approved by the Central Bank of the Republic of Armenia Board Resolution No. 229-N dated 28 July 2009[22].

The regulatory framework requires financial institutions to ensure that all communication with consumers is conducted in a clear, fair, and non-misleading manner, and that it effectively supports consumers in understanding financial products and making informed decisions throughout the entire lifecycle of the financial service.

KEY PRINCIPLES OF CONSUMER COMMUNICATION

Financial institutions are required to ensure that:

- **Clarity and understandability:** All information communicated to consumers is presented in simple, comprehensible language, avoiding complex, technical, or ambiguous terminology that may confuse or mislead consumers.
- **Transparency of communication:** Information must not be presented in a way that obscures key terms or downplays important conditions. Essential elements—such as pricing, obligations, and risks—must be clearly and prominently communicated.
- **Accuracy and fairness:** Communication must be accurate, complete, and not exaggerated or misleading, including in marketing and pre-contractual interactions.
- **Consumer awareness of risks:** Consumers must be adequately informed not only about the benefits, but also the risks associated with financial services.
- **Confidentiality and data protection in communication:** Communication must be conducted in a manner that ensures the confidentiality of consumer information and prevents unauthorized access by third parties.

PRE-CONTRACTUAL COMMUNICATION

Before entering into a financial agreement, financial institutions are required to:

- provide clear explanations of the nature, key features, and costs of the financial service,
- disclose all relevant risks and potential consequences of non-compliance with contractual obligations,
- allow consumers sufficient time to review and understand contractual terms,
- inform consumers of their rights, where applicable.

POST-CONTRACTUAL (ONGOING) COMMUNICATION

During the lifecycle of a financial service, financial institutions are required to ensure continuous, transparent, and consumer-oriented communication.

In particular, institutions must:

- **Provide timely notifications** of any changes affecting the consumer’s rights, obligations, pricing, or contractual conditions,
- **Clearly explain the nature and impact of such changes**, including any financial implications,
- **Ensure accessibility of information**, enabling consumers to obtain clarifications through multiple communication channels,
- **Maintain consistency and clarity** in all ongoing interactions with consumers.

Where changes are initiated by the financial institution, consumers must be informed in advance, in accordance with regulatory requirements, in a manner that enables them to assess the implications of such changes.

22 https://www.arlis.am/hy/acts/208093

III. COMPLAINTS HANDLING AND REDRESS MECHANISMS

Armenia's complaints handling and redress framework combines **internal dispute resolution by financial institutions, an independent alternative dispute resolution mechanism through the Financial System Mediator**, and access to **judicial and arbitral remedies**. This framework ensures a structured, accessible, and multi-tier system for resolving disputes between consumers and financial institutions. The framework is established in accordance with Regulation 8/04, approved by the Central Bank of the Republic of Armenia Board Resolution No. 225-N (28 July 2009)[23], and the Law of the Republic of Armenia "On Financial System Mediator" (HO-123-N, 17 June 2008)[24].

Internal complaint handling by financial institutions

Financial institutions are required to maintain internal rules governing the examination of customer complaints and to make the relevant information accessible to the public, including through their websites where applicable. Regulation 8/04 sets minimum standards for these internal procedures.

Under this framework, financial institutions must ensure that complaint-related information is clear, understandable, not misleading, and available at least in Armenian. They must display at service locations and on their websites the form **"What to do if you have a complaint,"** the complaint submission form, and contact details through which customers can obtain information about complaints. A responsible employee must be available during working hours to receive complaints and assist customers.

Complaints may be submitted in writing in person, by post, or electronically, including through digital channels defined by the institution's internal rules. Upon receiving a complaint, the institution must provide confirmation of receipt. For electronic complaints, this confirmation must be sent immediately, but no later than the next working day. If a customer raises a verbal complaint, the institution must explain the complaint submission procedure and indicate where the customer can obtain the necessary forms and information.

Financial institutions must review the complaint, avoid requesting unnecessary documents or information already available to them, and provide a final written response. That response must clearly state whether the complaint is rejected, partially accepted, or fully accepted, explain the reasons for the decision, identify the responsible unit or person, and inform the customer about available next steps, including the right to refer the matter to the Financial System Mediator, court, the Central Bank, or arbitration, where applicable.

Escalation to the Financial System Mediator

If the customer is not satisfied with the institution's final response, or if no final response is provided within the statutory period, the customer may escalate the matter to the Financial System Mediator. Before applying to the Mediator, the customer must first submit a complaint to the financial institution. As a general rule, the institution must provide a final written response within **10 working days** from receipt of the complaint; for complaints against a credit bureau, the response period is **15 working days.**

The Financial System Mediator is an **independent alternative dispute resolution mechanism** established by law. The purpose of the system is to ensure rapid, effective, and free examination of customer claims against financial institutions and to strengthen public confidence in the financial system. The service is free of charge for the customer.

The Mediator is authorized to examine claims brought by customers against licensed financial institutions and certain other covered entities, including the Bureau under the MTPL framework. In general, the Mediator is competent to review claims related to services provided by the institution that involve a **property claim not exceeding AMD 10 million or its foreign-currency equivalent**. In the case of credit bureau-related disputes, certain non-property claims may also be examined.

A customer may apply to the Financial System Mediator within **six months** from receiving the financial institution's final response or from the expiry of the deadline for that response. The Office of the Financial System Mediator may also assist the customer in preparing the claim and aligning it with legal requirements.

Examination of the claim by the Financial System Mediator

Once a claim is accepted, the Mediator sends a copy to the financial institution. The institution must then submit written explanations, clarifications, objections, and requested documents within **14 working days**, which may be extended by **7 additional working days** upon a reasoned request. The Mediator generally issues a decision within **24 working days** after receiving the institution's explanations or after expiry of that

23 https://www.arlis.am/hy/acts/150754
24 https://www.arlis.am/hy/acts/219092

deadline; in especially complex cases, this period may be extended by **14 more working days**.

The Mediator may examine the claim on the basis of written materials and documents, may hold oral hearings, may invite the parties to provide explanations, and may involve specialists where necessary. Financial institutions are under a legal duty to cooperate with the Mediator and provide requested information, including information otherwise protected as banking, insurance, service, or commercial secrecy, where permitted by law.

Following examination, the Mediator may decide to reject the claim, satisfy it in full, or satisfy it partially. The decision must be reasoned and may also specify the procedure and deadline for compliance by the financial institution.

Effect of the Mediator's decision

The Mediator's decision becomes binding on the parties if, within **30 working days** from notification of the decision, the customer expressly and unconditionally agrees to it in writing. If the customer agrees and the institution does not comply, the customer may apply to the competent court to seek recognition and enforcement of the decision.

The law also allows a financial institution to waive, by written agreement with the Office, its right to challenge the Mediator's decisions. The Central Bank and the Office publish the list of institutions that have **not** signed such a waiver.

Court and arbitration

Armenia's framework preserves access to court and, where relevant, arbitration. Customers may protect their rights through judicial mechanisms, and final responses of financial institutions must inform them about these avenues.

At the same time, the law regulates the interaction between mediation, court proceedings, and arbitration in order to avoid duplication and procedural conflict. In this context, the Financial System Mediator does not examine claims where the same dispute is already under consideration by a court or arbitration tribunal, or where a final decision has already been issued on the same matter.

Functioning of the model in practice

In practice, the Armenian model works as a **three-level redress system**:

First, the customer submits a complaint to the financial institution through the institution's internal complaint-handling procedure.

Second, if the matter is not resolved satisfactorily, the customer may bring the dispute to the Financial System Mediator as an independent and free ADR mechanism.

Third, where applicable, the matter may proceed through court or arbitration channels.

This layered structure is also reflected in Armenia's presentation of its complaint resolution model: internal dispute resolution, Financial Ombudsman institution, and judicial/arbitration processes.

IV. FINANCIAL LITERACY AND CONSUMER EDUCATION

Financial education is central to the Central Bank of Armenia's (CBA) approach to consumer empowerment, reinforcing citizens' capability to make informed financial decisions, understand their rights, and engage responsibly with financial products and services. The CBA's financial literacy strategy rests on a foundational conviction — one supported by a robust body of international research — that financial habits and attitudes are most effectively shaped early in life. A landmark longitudinal study tracking children from birth through age 32 found that those who developed greater self-control between the ages of three and eleven were, in adulthood, significantly more likely to own a home and hold investment and retirement assets. Research published in the Journal of Behavioral Decision Making similarly demonstrates that children develop attitudes toward spending and financial choices at a young age that directly shape their behaviors as adults, while a peer-reviewed study in Frontiers in Education[25] confirms that early exposure to financial literacy values significantly improves financial understanding and habits, and is particularly vital for poverty reduction and economic empowerment. A comprehensive review in ScienceDirect[26] further identifies two structural arguments for prioritizing youth: children and adolescents are still forming habits and are therefore more responsive to education than adults, and tomorrow's adults will face increasingly complex financial markets, making early-developed skills all the more essential. It is on this evidence base that the CBA has strategically prioritized schoolchildren as the primary target segment of its financial literacy efforts.

25 Frontiers in Education (2024). Youth, money, and behavior: the impact of financial literacy programs. https://doi.org/10.3389/feduc.2024.1397060

26 ScienceDirect (2019). The impact of financial education for youth. https://www.sciencedirect.com/science/article/abs/pii/S0272775718306514

Guided by this strategic focus and aligned with international best practice, the CBA developed and implemented a structured financial education program within the national school curriculum. The program was launched as a pilot in 2017 and, following positive outcomes, scaled significantly from 2018 onward. Key milestones include:

- **2017:** Pilot launch of financial education in schools, establishing the foundation for a nationwide rollout.
- **2018:** Commencement of a dedicated teacher training program to equip educators with the knowledge and skills to deliver financial education effectively.
- **2018–2022:** Almost 10,000 teachers trained across Armenia in four years, enabling broad reach within the school system.

However, as the program expanded, it became clear that sustaining a centralized, in-person training model at this scale would place significant demands on resources. To address this, the CBA developed a dedicated E-Learning platform that enables self-directed professional development: teachers can independently access financial education materials, complete coursework at their own pace, receive a certificate upon completion, and be officially recognized as trained to deliver financial education in schools.

Together, these initiatives reflect the CBA's long-term, evidence-driven commitment to building a financially capable society. Future priorities include deepening curriculum integration within schools, expanding the reach of both the teacher training and wider public training E-Learning platform, and developing assessments to track the long-term impact of financial education on the behaviours and well-being of Armenian citizens as they progress through life.

Central Bank of Burundi

PILLAR 1: GOVERNANCE & INSTITUTIONAL STRUCTURES

- Financial consumer protection in Burundi is guided by the law n° 1/34 of 02-12-2008 establishing the BRB status, the Banking law n° 1/17 of 22-08 -2017 governing banking activities in Burundi and the National Payment Systems law n° 1-07 of 11-05-2018. The regulation n°1/2019 related to financial consumers protection and other related regulations such as circulars of their application. Financial Services Providers (FSP) are required to have in their structure a consumer protection unit, maintain sound record-keeping systems of complaints and comply with laws and regulations enforced.
- They are also recommended to train their staff on best practices related to consumer protection and market conduct issues. Insurance companies have their own regulator and internal consumer protection procedures.

PILLAR 2: MARKET CONDUCT & COMPETITIVE DYNAMICS

- The Bank of the Republic of Burundi (BRB) requires FSPs to publish products and services offered and requirements to access them, fees and commissions on their websites and at physical offices to help consumers to make informed decisions. FSPs are also required to translate all documents relevant to consumers, in the mother language (Kirundi) and specifically complaints should be responded in the same language as the complainant.
- The BRB requires FSPs to improve awareness in collaboration with their professional association. The two professional associations are one for banks and another for Microfinance institutions.
- The BRB's consumer protection regulation requires FSPs to communicate regularly with consumers in case of changes of fees and commissions and to issue notifications to consumers on any transaction that happens on their accounts. BRB also requires the FSP, in case of the adjustment of their fees and commissions, to have these sent to the Bank first. While performing their products and services, FSP are also required to provide, for disclosure, the terms & conditions of financial services through written contracts which must include key information on the financial product and service offering.

- The BRB's consumer protection regulation requires FSPs to publish the consumer complaint procedures and steps which include the possibility to escalate to the central Bank, this ensures that consumers are aware of the central bank's role in protecting the population and advancing fair treatment.

- A MOU between BRB and other Regulators has been signed for good collaboration with peer regulators such as the Telecom regulator and the Insurance Authority to ensure, among others, harmonisation of consumer protection standards and a clear understanding of their respective roles in the broader consumer protection mandate.

PILLAR 4: CONSUMER CAPABILITY

- The National Financial Education Strategy has been elaborate with the participation of various institutions, such as BRB, insurance companies, professional associations for Banks and Microfinance Institutions and other public and non-public partners including the Burundian association for consumers.

PILLAR 5: COMPLAINTS REDRESSAL

- The BRB practices a three-level redress system. Firstly, a consumer submits a complaint to the FSP via its internal complaint-handling procedures. if the matter is not resolved or the consumer is not satisfied, the second level of recourse is the Central Bank. Lastly if the matter is not resolved or the consumer is not satisfied and if applicable, the matter may proceed through the courts and jurisdictions.

Central Bank of Egypt

TRANSPARENCY AND DISCLOSURE

EGYPT'S EXPERIENCE IN ISSUING KEY FACT STATEMENTS AS A TOOL TO ENHANCE TRANSPARENCY

Information asymmetry between financial service providers and consumers remains one of the core market conduct risks in retail financial services. Complex contractual documentation, fragmented disclosures, and technical language can undermine consumers' ability to understand financial products, compare alternatives, and make informed decisions. Key Fact Statements (KFS) address this challenge by distilling essential product information—such as key terms, costs, risks, and features—into a standardized, concise, and consumer-friendly format. As such, KFS serve as a preventive consumer protection tool that strengthens transparency, supports informed choice, and contributes to fair treatment outcomes across the financial sector.

Central Bank of Egypt (CBE) issued dedicated regulations on Key Fact Statements for savings products in 2024 as a first implementation phase. The development and rollout of the KFS framework followed a structured, evidence-based policy process, which included:

- **Standardized disclosure formats:** introducing unified KFS templates to ensure consistency in the information disclosed across banks, thereby enhancing comparability, clarity, and transparency for consumers.

- **Internal and market consultations:** Draft KFS formats were tested through internal consultations at CBE, alongside market consultations with banks. This approach helped identify implementation challenges, refine disclosure content, and ensure operational feasibility, while leveraging existing resources and minimizing implementation costs and timelines.

- **Integrating the Key Fact Statement** as an integral part of the contractual framework, ensuring that the information disclosed in the KFS is consistent with the contractual terms and legally binding on banks.

- **Minimum mandatory disclosure requirements:** The regulations specify core information that must be disclosed, including key contractual obligations, applicable interest rates, fees and charges, and any other material terms that consumers need to understand prior to entering into a savings product agreement.

Building on this initial phase, the Central Bank of Egypt is currently developing additional sets of Key Fact Statements for other financial products. This phased approach aims to progressively enhance transparency across the financial sector, strengthen informed consumer choice, and reinforce fair treatment standards, in line with international best practices in financial consumer protection.

COMPLAINTS HANDLING, REDRESS & DISPUTE RESOLUTION

Robust complaint handling and dispute resolution frameworks are a fundamental pillar of financial consumer protection and a prerequisite for a sound and trustworthy financial system. Effective redress mechanisms — combining Internal Dispute Resolution

(IDR) within financial service providers and External/ Alternative Dispute Resolution (EDR/ADR) through independent bodies — build consumer confidence, promote financial inclusion, and support long-term stability. A tiered model that offers consumers practical alternatives to courts enables faster and more proportionate resolution of disputes, while complaint data strengthens regulatory oversight by revealing conduct risks and systemic issues. Strong redress systems enhance transparency and institutional accountability, whereas weak ones undermine trust and market participation.

FIRST: INTERNAL DISPUTE RESOLUTION (IDR) – THE FIRST LINE OF DEFENCE

International standards emphasize that the primary responsibility for resolving consumer complaints lies with financial service providers. Effective IDR systems enable early resolution of disputes, reduce escalation to external bodies, and foster trust between consumers and providers. As such, IDR must be **mandatory, structured, and subject to regulatory oversight.**

Egypt has made significant and measurable progress in aligning with international best practices through a phased approach. In 2019, the Central Bank of Egypt (CBE) formally adopted financial consumer protection principles and issued **Consumer Protection Regulations for Banks**, establishing mandatory requirements for internal complaint handling mechanisms. These regulations set minimum standards covering complaint intake channels, response timelines, escalation procedures, and documentation requirements.

A major legislative milestone followed with the enactment of **Law No. 194 of 2020 (Central Bank and Banking System Law)**, which embedded financial consumer protection—including IDR and EDR mechanisms—within the primary legal framework governing the banking sector.

As part of implementation, the CBE launched structured supervisory engagement with banks, through mandatory regular reporting on complaint volumes, classifications, root causes, and resolution timelines.

Building on this foundation, the CBE issued **dedicated IDR Regulations in 2024**, introducing more prescriptive requirements, including:

- A unified definition of “complaint”.
- Strengthened mandates and resources for banks’ consumer protection units.
- Mandatory IT systems and centralized complaint databases.
- Enhanced accessibility through multiple submission channels.
- Clear tiered procedures, differentiated timelines, and defined response standards.
- Formal internal escalation mechanisms.
- Comprehensive internal and external reporting obligations.
- Specific rules for joint complaints and outsourced service providers.

Ongoing supervisory monitoring confirms full compliance by banks and supports continuous improvement of IDR practices.

SECOND: EXTERNAL AND ALTERNATIVE DISPUTE RESOLUTION (EDR/ADR)

Where internal mechanisms fail to resolve complaints satisfactorily, access to an independent and affordable external redress mechanism is essential. Effective EDR/ADR systems reinforce consumer confidence, provide legal certainty, and complement supervisory enforcement.

In this regard, the Law grants Central Bank of Egypt (CBE) clear authority to support the amicable settlement of disputes through structured mediation mechanisms, whereby dedicated unit in CBE facilitates fair and timely resolution within 30 days.

To operationalize this framework, the CBE has strengthened the supporting infrastructure by:

- Expanding complaint submission channels, including branches, digital platforms, and national complaint portals.
- Enhancing institutional capacity through dedicated resources and internal procedures.

In addition, data generated through EDR/ADR complaints is systematically analyzed by the Central Bank of Egypt to identify conduct risks, emerging market gaps, and recurring red flags, thereby informing supervisory priorities, targeted interventions, and ongoing improvements to the consumer protection framework.

Central Bank of Haiti

BANQUE DE LA RÉPUBLIQUE D'HAÏTI

In 2014, Haiti has launched its national financial inclusion strategy followed by the creation of a new unit within the Central Bank of Haiti (Banque de la République d'Haiti herein designated "BRH") to lead among other tasks the implementation of such strategy. Moreover, to contribute to the boosting of financial inclusion, a new piece of regulation was published in 2021 to shift from a bank-led model to integrate fintech or mobile money companies as financial institution. More people have been being included financially and it has become an urgent necessity to take actions to protect the growing and more vulnerable consumers. However, Haiti has not yet enacted a financial consumer protection law that designates a state agency endowed with specific mandate and power to regulate and supervise financial consumer protection issues. On the other hand, there is neither yet a law mandating a national agency responsible for centralizing credit information that could help protect clients from over indebtedness.

The banking and other financial institutions law of May 14, 2012, designates the BRH as the prudential regulator of all categories of financial institutions, except for insurance companies. As such, BRH had to step in to bring and enforce a minimum set of principles and good practices relating to financial consumer protection. To that end, two main aspects were being leveraged:

> **enforcement power and capacity** granted by general provisions established in the banking and other financial institutions Act of May 14, 2012 ;

> **BRH credibility and reputation** built over time as regulator and supervisor of the financial system.

Based on the above-mentioned leverages, the Central Bank has taken steps to :

1. create in 2014 a credit information bureau to collect and centralize credit data from credit granted institutions. Clients and credit institutions can now have access to credit information for decision making;

2. enact circulars and enforce principles or good practices on : transparency with regard to tariffications of financial products and services; processing and protection of inactive accounts ; better management of accounts closure ; processing of unclaimed funds ; fraud and claims management and reporting for providers of electronic payment services or mobile payment institutions ; obligation to report clients' credit quality to the credit information bureau ; obligation for financial institutions to get clients' consent to share their credit information with authorized institutions ; obligation for credit granting institution to factor in client level of indebtedness in the credit granting process;

3. recently publish (February 2026) an all-encompassing circular on financial consumer protection based on the G20/OECD High Level Principles and World Bank's Good practices for financial consumer protection;

4. acquire a sup-tech software "Bank Supervision Application (BSA)" built by and for a community of financial institutions' supervisors. The BSA integrates financial consumer protection functionalities that will allow the Central Bank to supervise the risk and compliance of financial institutions with regard to the above-mentioned financial consumer protection circular.;

5. reinforce its communication with the public in order to educate and raise awareness on : specific matters concerning products and service offering by financial institutions ; use of financial information ; inherent risks to financial product offers ; and the importance to always consult the Central Bank website on existing regulated financial institutions. To do so, capsule videos and recorded messages are being used through mass media broadcastings to reach out to the public.

From a redressal stand point, the consumers can communicate directly to BRH, specific issues they face whenever they feel their rights are being violated by a financial institution. This is done either in writing or via a contact email provided on BRH's website. Depending on the specifics of the case the supervision department of financial institutions may:

> simply contact the financial institution to better understand the issue and then make recommendations to solve the case ;

> consult with the Central Bank legal department before making recommendations to the Board on how to face the issue;

> recommend to the Board to further investigate the matter by sending a team of inspectors on-site, after preliminary evaluation.

Based on the findings resulting from the analysis or investigation of the case, the financial institution may :

- be enjoined to make it right with the client rights and/or sanctioned with a formal warning letter for misconduct ;
- encouraged to find an entente with the client to close the issue ;
- choose to have recourse to appropriate legal procedures that the case necessitates. Meanwhile, if need be, the financial institution may be required to provision an estimated amount pending the case final resolution.

Considering the rapid changes in financial landscapes, the size of the financial system and the length of time it may take before passing a bill to parliament in countries like Haiti, it may be advantageous to have at the first place a single regulator/supervisor endowed with broad legal power and mandate to oversee the financial system. This provides the jurisdiction with the flexibility to adapt swiftly by capitalizing on existing general legal provisions to bring in regulatory and supervisory solutions to boost confidence in the financial system in the face of a rapidly changing environment. Nevertheless, this situation may place the single regulator under serious capacity and budget constraints as the financial system is getting more complex and larger in terms of categories of financial institutions.

National Bank of Rwanda

1. INTRODUCTION

The main objective of consumer protection is to ensure that consumers are protected from unfair and predatory practices from the market aiming at improving their satisfaction thereby leading to their full trust and confidence in the financial sector so as to maximize their access and usage of the financial services in line with improving their financial health.

To measure the achievement of the above objective, Rwanda conducts different surveys. By the consumer satisfaction survey conducted in 2024, it was noted that 84% of consumers were satisfied with financial services, a very good improvement from 56% in 2021. Furthermore, in accordance with FinScope Survey, formal access to finance improved from 21% in 2008 to 92% in 2024.

By measuring the confidence and trust within the financial sector, the below improvements were made:

Sectors		Agree			Disagree		
	Agree 2024	2024	2021	Trends	2024	2021	Trends
banks	88.1%						
FIs	93.5%	89.9%	72.21%	17.69%	6.60%	17.40%	-10.80%
SACCOs	90.4%						
DFSs		94.30%	65.31%	28.99%	4.60%	21.42%	-16.82%
Insurance	79.5%	81.85%	49.24%	32.61%	10.20%	28.94%	-18.74%
Pension	84.15%						
FSPs		97.80%	98.84%	-1.04%	1.70%	1.16%	0.54%

Further to the above, In Rwanda's financial sector, it is estimated that consumer protection cannot be the job of one institution and therefore created a Financial sector Conduct and Consumer Protection Forum that brings together government Institutions (Ministry of Finance, National Bank of Rwanda, Capital Market Authority, The Inspectorate of Competition and Consumer Protection, Ombudsman office, Registrar of collaterals, etc), Financial Service Providers (Association of banks, Association of MFIs, Association of insurers, Association of Credit Service Providers, etc), Private Sector (Private sector Federation), Civil Society Organizations (Transparency International, Consumers' Association, NGOs, etc). These stakeholders sit together to examine consumer protection issues and deliberate on the way forward.

2. KEY PILLARS OF THE CONSUMER PROTECTION POLICY MODEL

2.1. LEGAL, REGULATORY AND SUPERVISORY FRAMEWORK

The global research has indicated that there are various approaches used by countries in line with the regulation and supervision of the financial sector. Each approach has got its own pros and cons and therefore countries select the approach depending on their context, the level of economic development and other factors.

a. Types of Supervisory Structures

- **Integrated Supervision (Unified):** A single agency (e.g., Financial Services Authority) supervises all financial institutions (banks, insurers, brokers).
- **Sectoral Supervision:** Specialized, separate agencies oversee specific sectors (one for banking, one for insurance, etc.).
- **Twin Peaks Structure:** A two-peak system with one authority focusing on financial stability and prudential regulation (often the Central Bank), and another focusing on market conduct and consumer protection.
- **Functional Supervision:** Supervision based on the type of financial activity performed, rather than the institution type, which can be part of broader sectoral or integrated models. However, many researches advise that consolidated supervision may best fit developing countries since it leads to effective use of resources.

For the case of Rwanda, it is majorly integrated supervision since the National Bank of Rwanda combines prudential and conduct supervision with most of the financial subsectors apart from the securities market that is regulated and supervised by the Capital Market Authority (CMA). The Central Bank regulates and supervises under its docket: the Banking sector, microfinance sector and SACCOs, Payment and Digital Financial Services, insurance sector, pension sector, Credit Service Providers, Forex Bureaus and Trust and Company Service Providers . Moreover, there is an other authority (Rwanda Inspectorate for Competition and Consumer Protection) that looks at competition and consumer protection for Non financial businesses.

Within the Central Bank, the mandate of Stability resides in one directorate called Financial Stability while the Mandate of Conduct also resides in an other directorate called financial sector development and conduct each one reporting to the Governor.

Benefits of consolidated Supervision to the National Bank of Rwanda:

- Minimum resources in terms of financial and Human as most inspections and other initiatives are conducted jointly;
- **Sharing of data:** Data for all institutions are centralized in electronic data warehouse. In addition, policy makers get almost the whole picture of the financial sector in one entity;
- **Sharing experiences:** Both prudential and Conduct Teams conduct joint inspections and consultations that lead to effectiveness in terms guiding the financial sector.

Disadvantages:

Conflict of interest: Integrated supervision may create conflict of interest if not managed well . Examples include banning prohibitive fees which may be a source of income for Financial Service Providers (FSPs) that would assist to improve their capital adequacy ratios. This conflict is minimized as the 2 mandates are separate within the Central Bank.

b. Supervisory Methodologies

- **Risk-Based Supervision (RBS):** A forward-looking, data-driven approach that focuses on evaluating the greatest potential risks to the financial soundness of a firm.
- **Compliance-Based Supervision:** A traditional approach focusing on ensuring compliance with specific rules and regulations.
- **Consolidated Supervision:** Supervision of a banking organization as a whole, including all its branches and subsidiaries (foreign and domestic) to assess risks to the entire group.
- **Macroprudential Supervision:** Focuses on identifying and addressing system-wide risks that could threaten the financial system as a whole, rather than just individual institutions.

The experience of Rwanda is the use of Risk Based Supervision approach as it focuses more efforts on risky sub-sectors, risky institutions and risky areas within those institutions. This helps to minimize the resources and effectiveness. The Central Bank further conducts consolidated supervision through cross-boarder supervision collaboration and has a specific department that is in charge of Macro- prudential supervision.

2.2. STRATEGY AND GOVERNANCE

In Rwanda, we noted that for consumer protection to be effective, it should start with governance structure of institutions, their strategic policies and procedures, internal control, and audit as well as self assessment. This is reflected in chapter 2 of the regulation no 55/2022 relating to financial service consumer protection. In the regulation, the below fundamentals are emphasized.

The regulation requires financial service providers to integrate consumer protection in their structures from the Board level, Senior Management, staff as well as the representatives. i.e. various reports related to consumer protection such as complaints reports, fraud reports, etc should be discussed at each level of the financial institution and where possible depending on the size and complexity of the institution, specific staff, departments or committees should be put in place to examine issues related to consumer protection.

Further to the above, Financial Service Providers (FSPs) are required to embed consumer protection aspects in their strategic documents including strategic plans, business plans and budgets, internal policies and procedures, etc. In fact, FSPs are recommended to have specific consumer protection polices such as complaints handling policy, customer care and service delivery policy, pricing policy, compensation policy, etc.

Furthermore, the National Bank of Rwanda requires supervised entities to put in place strong internal controls to monitor implementation of consumer protection laws, regulations and principles and internal audit should put its scope the consumer protection matters. The regulation also requires external audit to disclose consumer protection weaknesses noted in the management letter.

The regulation further requires that staff should have code of conduct with regard to fair treatment of consumers and within the Key Performance Indicators, staff should be appraised on how they contribute to customer centricity. Moreover, FSPs are mandated to monitor the satisfaction of their consumers through regular consumer satisfaction surveys.

2.3. TRANSPARENCY AND DISCLOSURE

In Rwanda, we consider transparency and disclosure on the side of financial service providers very key for consumers to make informed decisions. Both the law no 017/2021 relating to financial service consumer protection, the regulation no 55/2022 relating to financial service consumer protection, the regulation no 56/2022 relating to internal complaints handling, regulations relating to key facts statements, regulation relating to protection of payment service users as well as other regulations emphasize on the following fundamentals:

> **Comparison of prices:** Rwanda like any other countries have open economy whereby the prices are determined by the forces of supply and demand. However, in the financial sector, FSPs are required to publish the tariffs on their websites, at offices and in the web compared established by the National Bank of Rwanda. The web comparator is an electronic platform established by the National Bank of Rwanda and is accessible via the BNR app, downloaded via Apple Store or Google Play Store. On these platforms, consumers are able to compare prices and make informed decisions.

> **Proper Service Delivery:** the National Bank of Rwanda requires all FSPs through the regulation to publish their service charter indicating the services and products offered, the requirements to access them as well as the timelines for offering those services. This helps consumers to hold FSPs accountable in case they fail to deliver services on time and the regulator enforces those timelines.

> **Offering services in languages understood by consumers:** Language is very important for the consumer to understand the terms of conditions of contracts, FSPs' documents such as account opening forms, loan application forms, various communications from various institutions, etc. The regulation therefore requires all FSPs to issue documents or information to consumers both hard copies and electronic information in languages they understand or prefer for them to make well informed decisions.

> **Notifications and Account Statements:** In line with protecting the consumers' assets and keep them informed on what happen on their accounts, the law and regulations require all FSPs to issue notification (SMS, E-mail, etc) to their consumers on any transaction that happen on their accounts. Furthermore, FSPs are required to give free of charge at least annually, the account statement to consumers to able to verify transactions that occurred on their accounts but also be able to keep enough evidences in case there are litigations.

> **Key Facts statements:** The law and regulations require FSPs to issue to consumers a key fact

statement before they engage in any transaction with the FSP. This key facts statement is a document summarizing the terms and conditions of the product as well as its prices including annual percentage rate where applicable.

> **Communication to consumers:** FSPs are required to communicate to their consumers regularly in case there are changes either in fees and charges, other conditions, branches that are not operating, etc. Furthermore, FSPs are required to communicate electronic systems availability to consumers. i.e. In case the electronic system is not available, the FSP communicates to the consumers and is precise on when the issue will be resolved. This helps consumers to plan accordingly so that they cannot be impacted negatively by system downtime.

Below are the levels of satisfaction of consumers in Rwanda with regard to transparency and disclosure:

<table>
<tr><th colspan="2">SECTORS</th><th colspan="3">SATISFIED</th><th colspan="3">DISSATISFIED</th></tr>
<tr><td></td><td>SATISFIED 2024</td><td>2024</td><td>2021</td><td>Trends</td><td>2024</td><td>2021</td><td>Trends</td></tr>
<tr><td>Banks</td><td>80.8%</td><td rowspan="3">83.5%</td><td rowspan="3">62.79%</td><td rowspan="3">19.8%</td><td rowspan="3">11.20%</td><td rowspan="3">20.03%</td><td rowspan="3">-8.83%</td></tr>
<tr><td>MFIs</td><td>90%</td></tr>
<tr><td>SACCOs</td><td>84.6%</td></tr>
<tr><td>DFSs</td><td></td><td>89.70%</td><td>51.88%</td><td>37.82%</td><td>5.00%</td><td>25.10%</td><td>-20.10%</td></tr>
<tr><td>Insurances</td><td>70.5%</td><td rowspan="2">72.90%</td><td rowspan="2">40.61%</td><td rowspan="2">30.19%</td><td rowspan="2">11.10%</td><td rowspan="2">25.81%</td><td rowspan="2">-14.71%</td></tr>
<tr><td>Pensions</td><td>75.47%</td></tr>
<tr><td>FSPs</td><td></td><td>98.40%</td><td>99.24%</td><td>-0.84%</td><td>1.00%</td><td>79.00%</td><td>-78.00%</td></tr>
</table>

2.4. FINANCIAL LITERACY AND CONSUMER EDUCATION

In consumer protection; laws, regulations and policies are good. However, if consumers do not understand their rights and obligations as embedded in those laws and implementing regulations, no tangible results are obtained. For example, if a fee is prohibited by the regulation and the customer does not know, he/she will continue paying it. Or if one FSP applies a fee but an other does not apply it, the consumer should know for him/her to select that institution that does not apply it.

Financial education also should consider different products and services as well as specific consumer groups. For example:

> **Loan management:** Education should start for example with types of loans, why do people take loans, pros and cons of using a loan, consideration of interest and fees, choice of repayment frequency, understanding the terms of the contract, loan related insurances, loan restructuring circumstances (pros and cons), implication of forced loan recovery, managing projects financed by loans, credit reference systems, implication of collaterals and loan guarantors, etc;

> **Savings:** Importance of savings, savings compared to other types of investments, computation of interest on savings, etc.

> **Insurance:** Types of insurance services and benefits, impact of inclusion provisions, insurance pricing, claim requirements and processes;

> **Pension:** Defined benefits and defined contribution pros and cons, pension contributions, pension benefits and computation, beneficiaries of pension benefits, exclusion provisions, etc.

> **Payment and Digital Financial Services:** Security tips, different types of frauds, errors and scams and how to prevent, available customer support in case of errors , fraud or scams, etc.

The education also should consider specificities of women, youth PWDs, FDPs, people in remote areas, etc.

In Rwanda, financial education is the mandate of the Government through Financial Education Strategy through various government institutions including the Ministry of Planning and National Bank of Rwanda. Furthermore, based on different target groups, there is a partnership with other government and non government institutions as follows;

> **General Financial education:** National Bank of Rwanda, Financial Institutions Associations (Rwanda Bankers' Association (RBA), Association of Microfinance Institutions in Rwanda (AMIR), Association of insurers (ASSAR), Association of Credit Service Providers, etc), Central and Local Government Authorities, Private Sector Federation, Civil Society organizations, etc.

> **Education of Youth and Students:** The National Bank of Rwanda partners with the Ministry of Education to include financial education matters in the school curriculum, Ministry of Youth to educate youth in different fora, Ministry of National Unity that coordinates youth and non Youth Fora, etc;

> **Education of women:** The National Bank of Rwanda partners with the Ministry of Gender and Family promotion, the Gender Monitoring Office, National Women Committees, etc;

> **Specific Consumer Protection Forum:** In 30 Administrative entities called Districts, there was created a Consumer Protection Forum made of influencers in those entities including Private Sector, Consumers' Association, Women representatives, Youth representatives, Church representatives, Teachers' representatives, local government representatives, etc. These members assist to train other consumers and advise in case consumers have unsorted complaints.

> Other sort of financial education such as People with Disabilities, Forcibly Displaced Persons and others, the National Bank of Rwanda works with the related stakeholders.

> **E-learning platform:** Rwanda is in process to create an E-learning platform where people will conduct self training on financial education and be able to get certification.

In Rwanda's regulation no 55/2022 relating to consumer protection, Financial service Providers are also mandated to conduct education to their customers from the design of the product , selling of the product and after sale services. Specifically on Digital Financial Services, FSPs are required to reveal security tips to consumers and continue communicating evolving issues related to DFS including new frauds and scams tactics, etc. Furthermore, FSPs are required to include in their business plan and budgets, the education of consumers.

Further to the above, the monitoring and evaluation is done through Financial Capability survey, FinScope Surveys and other surveys. In addition, before and after conducting financial education, surveys are conducted to know the starting point and progress made due to education delivered.

2.5. FAIR AND EQUITABLE TREATMENT OF CONSUMERS

By fair and Treatment of consumers, it is understood that consumers should be treated with due care and diligence without discriminating them either by sex, religion, region, skin colour, ethnic group, political belonging, etc.

In the financial sector, fair and equitable treatment of consumers would be interpreted in areas of customer care and good service delivery, fair pricing, fair handling of customer queries, protection of consumers' accounts, fair loan recovery practices, fair claims handling for insurance services, etc.

Through the Financial Service Consumer Protection Law and regulations, the National Bank of Rwanda requires Financial Service Providers to put in place the service charter that clearly defines services offered by FSPs, the requirements and timelines and show where to contact in case such timelines are not respected. The regulations also define standards of good service delivery and where to report in case the customer was not treated fairly.

The regulations further require regulated institutions to put in place the pricing model indicating the factors considered to determine a certain price of the product or service to avoid unfair or predatory pricing. The Central Bank also was given the mandate to prohibit or suspend prohibitive or detrimental prices or products. In this regard, the Central Bank prohibited some fees such as account opening and closing fees, fees on deposits, fees on push and pull on one's account and wallet, dormant account activation fees, account maintenance fees on dormant accounts, the use of flat method in computing interest on loans, penalties for early loan repayment, interest and penalties that exceed the principal outstanding loan in case the customer default, prohibiting compounding interests on loans, etc.

The regulation further indicates the refunding and support of the customers in case they face errors or frauds on their accounts, how customers are protected from freezing their accounts, etc.

Moreover, the regulation defines fair treatment in forced loans recovery to avoid harassment on customers while the financial institution is recovering the loan such as insulting customers, publishing their photos, disclosing customer's failure to pay to people that are not concerned including employers, family members, etc. The regulation also allows the customer the voluntary sale period of their collaterals as the last resort.

The law and regulations specify that unfair terms of the contracts are null and void and provisions in the contracts that are vague or have double interpretations should be interpreted in favour of the customers.

The regulation further provides for whistleblowing mechanisms in case there is an indication of unfair treatment of consumers and compensation in case the consumer faces damages to due unfair treatment, loss or inability to access his/her funds due to recklessness of the service provider.

Generally, looking at the consumer satisfaction survey conducted by the National Bank of Rwanda in 2024, consumers indicated that for them the priorities in service delivery at 63.8% they consider speed of service, 61.6% consider attitudes of staff while 46.6% consider proper communication.

Below are the levels of satisfaction of consumers in Rwanda with regard to fair treatment of consumers in the financial sector:

<table>
<tr><th colspan="2">Sectors</th><th colspan="3">Satisfied</th><th colspan="3">Dissatisfied</th></tr>
<tr><th></th><th>Agree 2024</th><th>2024</th><th>2021</th><th>Trends</th><th>2024</th><th>2021</th><th>Trends</th></tr>
<tr><td>Banks</td><td>79.9%</td><td rowspan="3">85.6%</td><td rowspan="3">62.79%</td><td rowspan="3">22.81%</td><td rowspan="3">10.90%</td><td rowspan="3">21.16%</td><td rowspan="3">-10.26%</td></tr>
<tr><td>MFIs</td><td>91.4%</td></tr>
<tr><td>SACCOs</td><td>85.5%</td></tr>
<tr><td>DFSs</td><td></td><td>88.10%</td><td>56.00%</td><td>32.10%</td><td>5.40%</td><td>25.46%</td><td>-20.06%</td></tr>
<tr><td>Insurance</td><td>71.2%</td><td rowspan="2">72.90%</td><td rowspan="2">40.61%</td><td rowspan="2">32.29%</td><td rowspan="2">13.30%</td><td rowspan="2">31.97%</td><td rowspan="2">-18.67%</td></tr>
<tr><td>Pension</td><td>74.72%</td></tr>
<tr><td>FSPs</td><td></td><td>97.30%</td><td>98.84%</td><td>-1.54%</td><td>2.00%</td><td>1.16%</td><td>0.84%</td></tr>
</table>

RESPONSIBLE BUSINESS CONDUCT AND COMPETITION

For the case of Rwanda, responsible business conduct is interpreted as banning or prohibiting FSPs from conducting businesses in a way that is exploitative to consumers or lead to consumers' losses or abuses for the interest or benefits of the service provider.

In Rwanda, there is a general law on competition and consumer protection supplemented by the law and regulations relating to Financial Service Consumer Protection. Both legal and regulatory frameworks prohibit the below unfair businesses practices.

> Financial institutions are prohibited from practicing CARTEL. i.e. agreeing on common prices that can limit the consumers choice and bargaining capacity;

> Agreeing to ban or limit the supply of the product or service to create scarcity;

> Restricting interoperability;

> Abuse of dominance;

> Over indebtedness where consumers are given too much loans beyond their repayment capacity that can affect their survivor capabilities.

> Conducting abuse of other institutions in advertisement or overpromising or being unrealistic in advertisement.

> Financial institutions are also required to put in place measures to fight corruption practices that can lead to consumers failure to access service or access services that are expensive.

> Financial service providers are required to put in place infrastructures that assist special groups i.e. PWDs, pregnant women, elderly, sick people, etc.

> Financial service providers are further required to put in place the code of conduct of staff and representatives to avoid irresponsible business practices and any violation, the financial service provider bears the consequences.

> The National Bank of Rwanda has further created a platform to check if the FSP is regulated or not to fight illegal financial businesses that scam many consumers especially those operating online under illegal Virtual Assets, Pyramid and Ponzi Schemes. The platform is accessible via "BNR App" downloaded through Apple store or Google play store.

ROBUST COMPLAINTS HANDLING

Complaints arise in case the consumers are not satisfied with the products and services offered by Financial service providers or in case there is a certain disagreement.

The Financial Service consumer protection laws and regulations clarify that in case the consumer is not satisfied with the service offered by the financial institution, he/she shall submit the complaint to the provider of the service. The Financial Service Provider shall put in place a complaint register to record every complaint received indicating the name of the complainant, the code of the complaint, the nature and details of the complaint, the date of complaint submission, the date of response, the response details, and status of satisfaction on the response provided.

The complaint shall be resolved in a period not exceeding 15 days and at each stage, the client shall be notified on the progress but also left with an electronic platform to track the response progress.

In case the complainant is not satisfied with the response or not responded to, he/she submits the complaint to the Central Bank for examination.

The Central Bank has also established the electronic complaints management platform called " INTUMWA Chatbot accessible through www.bnr.rw , FSPs' websites, whatsapp, and SMS channel.

On average annually, over 1 million complaints are addressed by different FSPs while over 200 complaints are escalated to the Central Bank in Rwanda. The analysis also conders complaints lodged in different services including loans, savings, accounts, insurance, pension, etc and are classified by gender and by location of the consumers. The below status indicates the satisfaction levels of consumers in Rwanda with regard to complaints handling:

Sectors		Satisfied			Dissatisfied		
	Yes 2024	2024	2021	Trends	2024	2021	Trends
Banks	66%						
MFIs	60.6%	62.10%	35.71%	**26.39%**	34.50%	56.00%	**-21.50%**
SACCOs	63.09						
DFSs		70.10%	47.73%	**22.37%**	24.80%	43.22%	**-18.42%**
Insurances	55.10%	55.10%	26.53%	**28.85%**	39.70%	54.08%	**-14.38%**
Pension	53.97%						
FSPs		94.50%	95.40%	**-0.90%**	5.50%	4.60%	**0.90%**

Reserve Bank of Malawi

1. LEGAL AND REGULATORY FRAMEWORK FOR FINANCIAL CONSUMER PROTECTION

The mandate for financial consumer protection in Malawi is derived from the Financial Services Act (Cap 44:05) and subsidiary legislations issued in accordance with section 34 of the said Act. Under the Act, the Governor of the Central Bank is designated as the Registrar of Financial Institutions (Registrar) and one of the Registrar's mandates is to ensure the highest standards of conduct of business by financial institutions.

The subsidiary legislation issued by the Registrar, called Directives, provide guidance to financial institutions on financial consumer protection principles. The Directives therefore cover financial consumer protection principles including Product Design; Advertising and publications; Transparency and Disclosure; Product Suitability Assessment; Customer Data Protection; Communication; Complaints and Disputes Redress Mechanisms; and Fair Treatment of Consumers as a culture by all employees of FSPs. All financial institutions licensed and registered by the Registrar, are expected to comply with the requirements of these Directives.

To this effect, the following consumer protection Directives have been issued:

2. TRANSPARENCY AND DISCLOSURE

The Registrar issued transparency and disclosure requirements for five product categories, including: savings, credit, pension, investment, and insurance products:

a. Financial Services (Disclosure Requirements for Savings Products and Services) Directive, 2018

b. Financial Services (Disclosure Requirements for Credit Products) Directive, 2018

c. Financial Services (Disclosure Requirements for Insurance Services) Directive, 2018

d. Financial Services (Disclosure Requirements for Investments Products and Services) Directive, 2018

e. Financial Services (Disclosure Requirements for Pension Products and Services) Directive, 2018

The aim of these transparency and disclosure directives was to address information asymmetry of financial products and services and ensure that consumers have the requisite knowledge of a product or service to make an informed decision prior to accessing and using the financial product or service.

The disclosure requirements stipulate the need for Boards of financial institutions to ensure the formulation of disclosure policies that align with the minimum transparency and disclosure requirements prescribed by the Directives. The Directives also place responsibility on Management of a financial institution to ensure that such a policy is adhered to and implemented by staff of the institution.

The Directives further sets minimum disclosure requirements that a financial institution is required to make to a consumer through the issuance of a key fact statement (KFS) which has to be signed by both the consumer and the institution as evidence that the customer has read and understood its contents; and require that disclosures be made in a simple, timely manner, in a language the consumer understands.

Finally, the disclosure Directives outline enforcement actions that can be taken in the event of a breach of any of the Directives' requirements. The expected outcomes from these requirements include enhancing transparency and accountability by financial institutions; promoting confidence and trust in consumers of the formal financial system; and empowering consumers with product information to assist them make informed decisions.

3. FAIR/EQUITABLE TREATMENT OF CONSUMERS

In July 2024, the Registrar issued a revised Financial Services (Fair Treatment of Consumers) Directive, establishing guidelines to ensure fair treatment of consumers within the financial sector. This Directive:

a. Prescribes minimum standards for treatment of consumers and their personal data;

b. Promotes implementation of financial consumer protection principles;

c. Promotes consumer trust and confidence in financial institutions; and

d. Enhances discipline and accountability in the financial sector by ensuring fair, transparent, and objective pricing of financial products and services.

Under this Directive, financial institutions are required to ensure the availability of a Board approved policy on fair treatment of its consumers and allocation of resources for implementation of the same. It further requires Management to ensure the adherence and implementation of the policy by promoting a corporate culture that reinforces ethical, prudent, and professional conduct within the institution.

To safeguard the fair treatment of consumers, the Directive establishes minimum requirements addressing various dimensions of customer protection and equitable conduct. Among others these include discrimination; data protection; advertising of products and services; harassment; communication; credit, fees and charges, limit on interest and fees on non-performing loans, digital financial services; customer refunds, etc.

To enhance financial institutions' discipline and accountability, the Directive outlines a list of fees and charges that are prohibited. It further mandates the Registrar to approve any introduction of a new fee or any upward adjustment of fees on an annual basis. The aim is to ensure that pricing of financial products and services is fair, transparent, and objective. This also aligns with the Financial Services Act, which gives the Registrar the Mandate to *determine that a specified practice, pricing arrangement, pricing or fee or charges structure in relation to financial services and products is a prohibited practice if it is considered unfair to consumers of financial services or will result in the exploitation of consumers.*

The Directive aims to ensure that fair treatment of consumers is central to the corporate culture of the institution; products and services are designed to meet the needs of consumers; consumers are appropriately informed in the life cycle of a product, i.e. before, during and after onboarding; there is due care by ensuring that advice is suitable and takes account of consumers' circumstances; and consumers do not face post-sale barriers imposed by firms.

4. REDRESS MECHANISMS

To guarantee that financial consumers have access to efficient and timely mechanisms for lodging complaints and obtaining redress, financial institutions are mandated to receive, acknowledge, investigate, and resolve complaints within prescribed timelines. They are further required to maintain comprehensive records of all complaints and to communicate the outcomes to consumers in a clear and transparent manner. Furthermore, financial institutions are obligated to submit a complaints management return to the Registrar on a quarterly basis, utilizing the supervisory technology adopted by the Registrar. These requirements are prescribed in the *Financial Services (Complaints Handling Directive), 2024.*

Where consumers remain dissatisfied with the manner in which a financial institution has addressed their complaint, the Registrar provides an alternative dispute resolution mechanism to facilitate the escalation and resolution of such matters.

State Bank of Pakistan

PILLAR 1: GOVERNANCE & INSTITUTIONAL STRUCTURES

AFI'S GUIDING PRINCIPLE	SBP'S POSITION/ APPROACH
1. Ensure a framework for consumer protection and market conduct supervision that is supported by legislation, with powers to intervene through enforcement actions.	1. SBP's derives its authority to regulate the consumer protection in Pakistan's banking industry from the State Bank of Pakistan Act, 1956, the Banking Companies Ordinance, 1962 and Microfinance Institutions Ordinance, 2001. SBP issued the **Business Conduct and Fair Treatment of Consumers Regulatory Framework (BC&FRF)** in 2025, a comprehensive regulatory framework, defining six pillars of conduct risk: (i) General Obligations, Governance and Oversight; (ii) Disclosure and Transparency; (iii) Fair Treatment and Business Conduct; (iv) Data Protection and Privacy; (v) Dispute Resolution Mechanism; and (vi) Financial Capability and Awareness. SBP mandates that FIs implement the instructions issued under this framework, with non-compliance attracting punitive action under relevant provisions of applicable law.
2. Ensure financial consumer protection (FCP) is treated as a financial inclusion priority by regulators and financial service providers (FSPs).	2. SBP requires FIs to embed responsible business conduct as a foundational institutional obligation under its BC&FRF. This extends to financial inclusion specifically which requires FIs to put in place a comprehensive policy framework and strategy document, duly approved by their Board of Directors (BOD), demonstrating their strong commitment to the inclusion of PWDs as customers, and employees including clear measures to increase financial inclusion of all categories of PWDs including female with disabilities i.e. physically handicapped, visually impaired/ blind, people with hearing and speech disabilities (BC&FRF, pillar 3).
3. Ensure clear institutional and organisational structures are put in place amongst financial regulators, based on the size and maturity of the jurisdiction.	3. SBP applies a proportionality principle to institutional design: Board-level oversight may rest with either a dedicated board committee or an expanded Board Risk Management Committee; management-level oversight may similarly be assigned to a new or existing committee; and where a standalone conduct function is not feasible, the relevant function must at minimum operate independently of business and operations units (BC&FRF, Pillar 1).
4. Ensure governance requirements for regulated entities are in place.	4. SBP, under pillar 1 of BCFRF, requires the BODs to approve the institution's fair-treatment framework, establish an effective oversight mechanism, and empower a dedicated committee with the authority to monitor compliance. At the management level, SBP requires a designated committee to drive policy development, conduct-risk management, alignment of incentive structures with fair-treatment outcomes, a defined code of conduct, and staff training, with performance reported to the Board on a bi-annual basis. SBP further requires Internal Audit to independently assess the institution's compliance with these requirements.

PILLAR 2: MARKET CONDUCT & COMPETITIVE DYNAMICS

AFI'S GUIDING PRINCIPLE	SBP'S POSITION/ APPROACH
1. Develop a market conduct supervision framework guided by a structured process, scope of assessment and guided by available resources.	1. SBP applies its **Conduct Assessment and Risk Evaluation (CARE) Framework**, designed in line with SBP's broader Risk-Based Supervision (RBS) approach, to gauge the level of conduct risk in FIs through a structured risk rating system, enabling timely supervisory and intervention measures while this framework's risk rating system is built on two major components i.e., Inherent Risk and Quality of Governance and Controls, defining periodicity scope of the conduct risk supervision.
2. Issue regulations, guidelines and circulars setting clear standards to encourage transparency and accurate disclosures of key fact statements/ other financial documents.	2. SBP's BC&FRF (Pillar-2) requires FIs to provide comprehensive, contract-stage disclosures covering account terms, charges, mark-up/profit methodology, and product-specific details, ensuring customers fully understand their rights and obligations before entering a contract. It further mandates ongoing transparency through advance notice of any changes to terms, clear disclosure of refundability of fees, and timely confirmation of contract termination, extending fair treatment principles across the full product lifecycle. Additionally, SBP requires FIs to provide a Key Facts Statement (KFS) to their prospective customers for both deposit and financing products, in standardized formats, for comparison and decision making and to be signed by both the authorized officer and the customer, at the time of account opening or pre-disbursement of finance.

AFI'S GUIDING PRINCIPLE	SBP'S POSITION/ APPROACH
3. Take steps to disseminate information on transparency best-practices to ensure broad public awareness.	3. SBP's BCFRF (Pillar 6) requires FIs to develop a dedicated **Awareness Policy**, supported by an annual plan, to enhance consumer understanding of their rights, responsibilities, KFS usage, charges/fees, fraud safeguards, and complaint-handling avenues. FIs must use multiple channels including in-person sessions, SMS/email/in-app notifications, print and social media, digital literacy portals, and branch/ATM signage. FIs are required to extend awareness efforts to collaboration with external stakeholders such as academia and trade bodies, and are required to maintain a dedicated, regularly updated consumer awareness page on their website.
4. Ensure information is provided in key local languages, and is appropriately shared on digital channels to ensure the same high standards of accessibility	4. The regulated entities are required to provide disclosures, including the account opening form, T&Cs, fee schedules, and explanations of liabilities, in both Urdu and English with regional languages encouraged for further reach, in clear text of at least font size 11, whether delivered digitally or otherwise. T&Cs must remain legible and be made available on the FI's website, while the Key Facts Statement is further required to be accessible across all e-banking interfaces and digital channels.
5. Ensure supervisory reviews covers a broad spectrum of activities (i.e., marketing, disclosures, digital channels) to ensure consistency of standards across platforms.	5. SBP's supervisory reviews cover a broad spectrum of FI activities through BC&FRF's comprehensive pillar-based framework. **Pillar 2 (Disclosure and Transparency)** sets consistent standards across the full customer journey — spanning disclosure formats, advertising and sales materials, terms and conditions, and Key Facts Statements — across both physical and digital channels. **Pillar 3 (Fair Treatment and Business Conduct)** extends supervisory coverage to sales practices, third-party product governance, and agent conduct. **Pillar 4 (Data Protection and Privacy)** addresses digital channel-specific standards governing data collection, processing, and safeguarding. Collectively, these pillars ensure consistency of supervisory standards across all platforms and activities through which FIs interact with consumers.
6. Ensure accountability for fair consumer treatment is extended to FSPs, agents and all third-party service providers to ensure proactive action.	6. For third-party products (e.g., bancassurance/bancatakaful) sold via banks/DFIs, BC&FRF (Pillar-3) requires a Board-approved policy, an independent (non-incentivized) control function to verify sales, and mandatory suitability assessments with added safeguards for vulnerable customers. Staff incentives must weight persistency and complaints, not just volume, with no incentives accepted directly from third parties. Accountability continues post-sale through Call Back Confirmation, monitored claim turnaround times, and consolidated complaint reporting to SBP. The FIs are required to elaborate using basic fact sheet of product the Redressal Mechanism in case of any grievance including Federal Insurance Ombudsman.
7. Ensure that regulated entities actively take steps to ensure that consumer data generated and processed is subject to appropriate data protection and privacy requirements.	7. BC&FRF (Pillar-4) requires FIs to collect and process customer data lawfully, fairly, and transparently, for specified and legitimate purposes only, based on verifiable consent or other lawful grounds, with retention limited to what is necessary and timely deletion thereafter. Customers retain the right to withdraw consent at any time, with explicit consent required for mobile app registration and for enabling each account on digital channels. FIs must maintain confidentiality through defined controls — access on a "need-to-know" basis, access logs, IT access reviews, call centre safeguards (e.g., CCTV, no device access), and a prohibition on disclosing data to third parties except for permitted purposes such as credit bureau reporting.
8. Ensure providers allow fair access to essential infrastructure and consumer-consented data sharing at reasonable terms.	8. SBP's BCFRF (Pillar-4) requires FIs to maintain confidentiality, fidelity and secrecy of their customers' data and information and not disclose any information about their customer(s) and/or their accounts, except where the customer(s) has consented to do so or compelled by laws/regulations.

PILLAR 3: SUPERVISORY TOOLS & INSTRUMENTS

AFI'S GUIDING PRINCIPLE	SBP'S POSITION/ APPROACH
1. Utilise regular market monitoring activities based on up-to-date data points from on-the-ground market activities to enhance risk-based supervision.	1. SBP's **CARE Framework**, designed for risk-based conduct supervision, operationalizes the supervisory process through periodic offsite and onsite supervision and thematic reviews. This is complemented by SBP's structured **Market Monitoring Framework**, which provides on-the-ground intelligence through defined tools including regulatory returns, complaints analysis, schedule of charges, mystery shopping, and website and advertisement scanning. Risk findings are rated on a scale from **Low to High**, with control effectiveness assessed from **Weak to Effective**, enabling risk-tiered and timely supervisory interventions across the Pakistani financial ecosystem.

PILLAR 4: CONSUMER CAPABILITY

AFI'S GUIDING PRINCIPLE	SBP'S POSITION/ APPROACH
1. Ensure a clear and structured National Financial Education Strategy or Plan is developed. 2. Align delivery channels with the background and accessibility levels of the target group, with a focus on leveraging digital platforms and online resources where applicable. 3. Ensure financial education start from early schooling years to ensure a deep understanding of financial literacy by adulthood, complemented by digital based e-learning platforms for life-long learning.	SBP has established a comprehensive, structured approach to financial education at both the national and institutional levels. At the national level, SBP's **National Financial Inclusion Strategy (NFIS) 2024-28** serves as the overarching policy anchor, targeting 75% financial inclusion and reduction of the gender gap to 25% by 2028. Under NFIS, SBP launched Pakistan's first **National Financial Education Roadmap (NFER) 2025-29,** in April 2025, aiming to reach 50 million beneficiaries with a focus on women, youth, and children. The **NFER of Pakistan** is built on three principles: **Diversification** (hybrid digital and face-to-face delivery targeted by audience type), **Institutionalization** (establishment of a dedicated Centre for Financial Education and Literacy Pakistan), and **Sustainability** (integration of financial literacy into the National Curriculum). This is complemented by the **National Financial Literacy Program (NFLP)** implemented in phases since 2017 and the **National Financial Literacy Program for Youth (NFLP-Y)**, targeting young Pakistanis through National Institute of Banking & Finance (NIBAF). At the institutional level, SBP's BC&FRF (Pillar 6(6.2)) requires REs to develop a dedicated Awareness Policy with an annual financial education plan, tracked through defined KPIs.

PILLAR 5: COMPLAINTS REDRESSAL

AFI'S GUIDING PRINCIPLE	SBP'S POSITION/ APPROACH
1. Adopt a "customer first" approach to redressal by: (a) adopting multi-tiered recourse structures (b) Enable customers to lodge complaints in a seamless and convenient manner (i.e., chatbots) (c) Where appropriate, anchor redressal procedures with legislation and/or guidance notes. (d) Where necessary, strengthen internal resources for redressal as a consumer protection imperative (e) Ensure complaints are addressed in a timely manner, with minimal unnecessary delays.	1. SBP's complaints redressal architecture operates across multi-tiers. At the first tier, BC&FRF (Pillar-5) requires Res to establish an independent complaint handling function with adequate powers, resources, and centralized Complaint Management System. Consumers unsatisfied at the Bank level may escalate at the second tier to the **Banking Mohtasib Pakistan (BMP),** an independent statutory body established to resolve disputes between consumers and banks whereas MFBs, DFIs &EMIs may approach SBP's, second forum of redressal. BC&FRF under Pillar-5 mandates multiple complaint lodgment channels for REs including call centers, email, websites, e-forms, surface mail, branch-based complaints, complaint boxes, and ATM hotlines — with FIs further encouraged to offer SMS, mobile apps, self-service kiosks, and social media platforms. REs are required that every complaint must be acknowledged within 48 hours, and resolved within the prescribed TAT as per the category of the complaint as minor, major with mandatory escalation procedures for unresolved complaints At the regulatory level, SBP's dedicated complaints management portal and mobile application named "Sunwai" allows convenient lodgement, tracking and escalation of complaints by consumers to the relevant regulated entity, with capabilities to escalate the complaint to the central bank and/or related complaints management authorities (i.e., BMP). As a result of the ease of access, complaints lodged by consumers in Pakistan have increased, leading to closer and more robust engagement with regulators to ensure regulated entities provide high standards of service to consumers.
2. Ensure efforts are made to raise awareness amongst consumers on the availability of recourse structures.	2. BC&FRF (Pillar-2) requires FIs to prominently display complaint lodgement information across branches, websites, and mobile applications, with bi-annual SMS reminders to customers on lodgement modes and mandatory communication of the right to escalate to a second forum of redressal, if unsatisfied.

PILLAR 6: CROSS-CUTTING THEMES

AFI'S GUIDING PRINCIPLE	SBP'S POSITION/ APPROACH
1. Ensure policy interventions are guided by impact measurement, with clearly defined measurement parameters to gauge policy implementation success.	SBP has designed and piloted the **Financial Capability Barometer,** an evidence-based assessment tool aligned with OECD and AFI benchmarks, as SBP's structured instrument for measuring financial literacy outcomes/ effectiveness across diverse population segments, directly validating the impact of SBP's financial literacy initiatives on financial capability and, by extension, financial inclusion outcomes.

Financial Services Regulatory Authority (Kingdom of Eswatini)

Eswatini has the Fair-Trading Act, 2001, which provides general consumer protection covering unfair business practices, deceptive conduct. There is a draft Consumer Protection Bill. Both these instruments are under the purview of Eswatini's Competition Commission. Financial consumer protection is also then covered under the financial services laws including Consumer Credit Act 2016 as amended, the FSRA Act, 2010, the Central Bank Order 1974 as amended covering the consumer protection mandate, regulatory powers including rule-making, tools, enforcement etc. with amendments being drafted to also enhance consumer protection issues in the Financial Institutions Act (for the banking sector).

The Central Bank has issued a number of guidance to the banking sector including guidance on banking practice, fees and charges, and key facts statements, and corporate governance standards. The FSRA has issued Policy Holder Protection Rules under the Insurance Act and is also developing corporate governance standards for insurance, pensions, capital markets and credit and savings institutions, developing market conduct guidelines for all these sectors, as well as enhancing the risk management guidelines for FSPs to also incorporate conduct issues

When the Central Bank of Eswatini (CBE) decided to establish and Market Conduct and Consumer Protection Unit, a decision was made for the new Unit to be distinct from prudential supervision (Bank Supervision Division). The Central Bank started with three (3) analysts coming from prudential supervision as it was determined that the skills are transferable between the two functions. Further, the Central Bank is now making considerations to increase the market conduct supervisory team.

On the non-bank side, the Financial Services Regulatory Authority (FSRA) decided to also establish a dedicated Market Conduct Department which complements the Prudential Supervision Department. The Financial Services Regulatory Authority started off with a larger market conduct staff complement of 25 staff members given that the FSRA is responsible for 70% of the Eswatini financial system.

The separation of consumer protection supervision from prudential supervision allows greater resource allocation and autonomy to consumer protection/ market conduct as it was seen that whilst the goals are complementary, there may be conflicts between prudential supervision and market conduct/ consumer protection supervision. Careful balance is being struck both at the Central Bank and the FSRA in that whilst separating the two functions, the remains close coordination and collaboration between the market conduct functions and prudential supervision including conducting joint examinations where possible, first checking internally before asking financial institutions for information to avoid duplication, collaborating in the development and revision of regulatory returns etc.

Both CBE and the FSRA have adopted Market conduct risk-based supervision across their respective sectors with the relevant frameworks in place.

Bank of Zambia

STRATEGY AND GOVERNANCE

A) GOVERNANCE STRUCTURE OF INSTITUTIONS

In Zambia, corporate governance requirements for financial sector players are enshrined in laws governing the financial sector. These include the Banking and Financial Services Act (BFSA or the Act) and the Payment Systems Act (PSA). Additionally, sub legislation has been derived from the Acts to formulate the Bank of Zambia Corporate Governance Directives of 2016. The Directives enhance governance expectations, including board independence and oversight responsibilities.

The law places a mandate on the board and management to incorporate good consumer protection and market conduct principles in the respective institutions. Responsibility for formulation and approval of the policies is placed on the Board, in order to ensure accountability from the highest level, while management is responsible for ensuring execution and reporting.

In line with the requirement to ensure that applicable laws and regulations remain relevant and effective, the Bank of Zambia continues to review the applicable laws. In this regard, the Bank of Zambia is scheduled to issue updated Corporate Governance Directives, that specifically highlight thematic areas, including consumer protection considerations.

Further, as overseer of the financial services sector, the Bank of Zambia stipulates the required format and content of the corporate governance charter and enforces adherence to these directives through ongoing supervisory activities, including offsite monitoring and onsite verification of the provided policy documents.

B) STRATEGIC TOOLS AND DOCUMENTS

In line with the financial sector laws, boards of regulated entities are obligated to develop and implement policies and strategic plans that promote institutional safety, soundness, and consumer protection. At the start of each financial year, the Bank of Zambia convenes strategic review meetings with regulated entities, during which financial institutions present their annual strategies and operational plans. This process facilitates the preparation of comprehensive institutional overviews and reinforces accountability by ensuring that institutions adhere to the conditions attached to their respective licenses and designations.

C) INTERNAL CONTROLS, INTERNAL AND EXTERNAL AUDITS

The BFSA requires financial institutions to maintain sound internal controls, robust record-keeping systems, and effective audit mechanisms as part of their governance and compliance obligations. In line with these provisions, the Bank is empowered, upon receipt of a financial service provider's audited financial statements, to direct the convening of a trilateral meeting involving the Bank, the institution, and its external auditor. Such meetings may be initiated where supervisory concerns arise from the statutory audit process and allow the Bank to engage directly with both the institution and the auditor on identified issues. Furthermore, the Act obligates the board of a financial service provider to submit the external auditor's report, together with the institution's annual financial statements, to the Bank and to all shareholders within three months of the end of the financial year. This requirement reinforces accountability, enhances transparency, and ensures timely supervisory access to critical financial information.

D) SELF-ASSESSMENTS AND SURVEYS

The Bank is currently exploring mechanisms to integrate self-assessments into its risk-based supervisory framework. The results of these assessments will serve as a baseline for studies that will inform thematic reviews and consumer surveys. The development of this tool is expected to further enhance the existing risk-based supervisory methodology by strengthening the Bank's ability to identify institutions requiring heightened supervisory attention.

E) CAPACITY BUILDING OF GOVERNING ORGANS & PERFORMANCE MEASUREMENT

The Guidelines for the Fit and Proper Assessment for the Appointment of Shareholders, Directors and Senior Management (Fit and Proper Guidelines)[27] require that individuals appointed to key or significant roles, including directors and senior management demonstrate proven competence, professional capability, personal integrity, financial soundness, and a reputation befitting positions of trust. These Guidelines set clear expectations that such individuals possess the qualifications, expertise, experience, and judgment necessary to effectively discharge their responsibilities and uphold the safety, soundness, and credibility of the institution.

The Bank, through its ongoing engagements with financial institutions, has continued to underscore the importance of Boards of Directors proactively seeking training on best practices related to CPMC matters. The Bank has facilitated board training for the Boards of regulated entities, using the opportunity to reinforce expectations around the development and implementation of a stronger market conduct framework. It is the Bank's expectation that this approach will be progressively extended to other institutions, ensuring that board-level oversight of market conduct risks is strengthened across the sector.

TRANSPARENCY AND DISCLOSURE

In recognition of the importance of transparency and disclosure for effective consumer protection, the BFSA requires that regulated entities provide information that should enable a consumer to make an informed decision. The BFSA also contains provisions that place a legal mandate for prior disclosure of cost of financial products as well as changes to such costs. In the case of upward adjustments, regulated entities are required to seek prior written approval from the Bank. The law also provides for disclosure of terms and conditions of financial services through written contracts which must not omit or mask key information relating to a service.

The Bank also publishes cost of borrowing in the newspapers of general circulation every quarter. These are tabulated on the basis of returns submitted to the Bank and a cost of borrowing formula that is applied. The principle objective is to provide the public with a database for making comparisons amongst regulated entities.

27 Guidelines for the Fit and Proper Assessment for the Appointment of Shareholders, Directors and Senior Management Gazette No. 7534 of the Republic of Zambia.

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