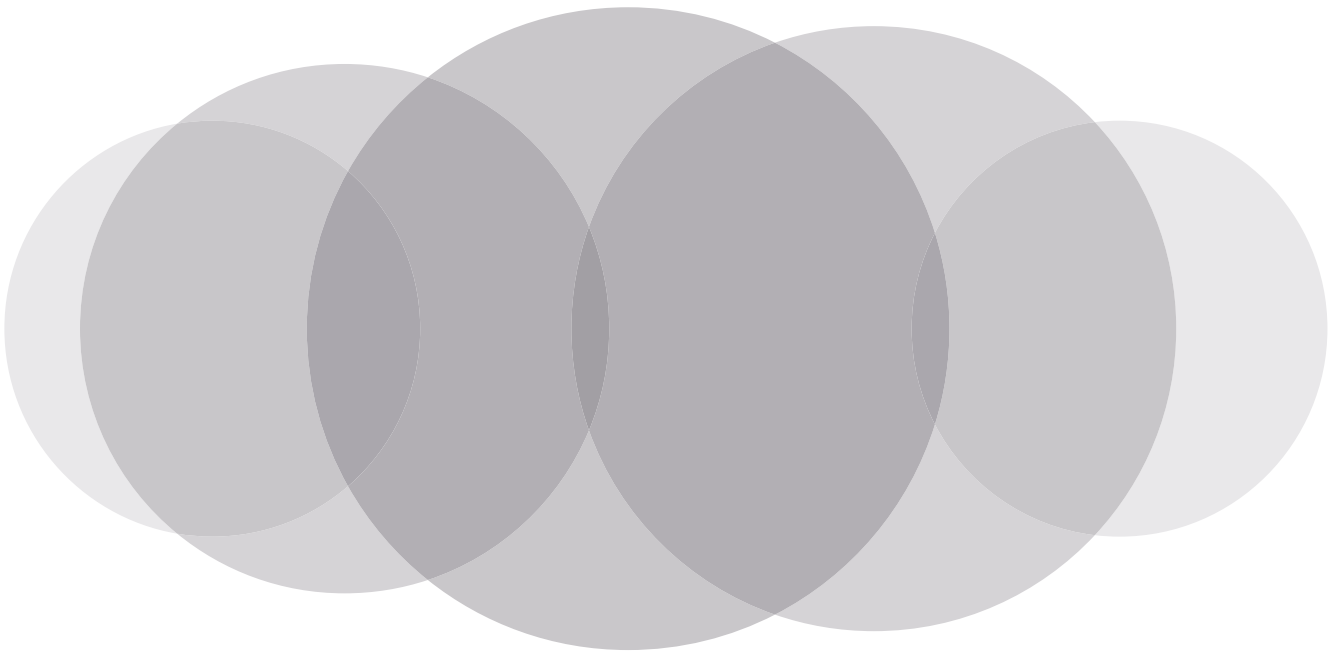


Case study

Empowering and protecting financial consumers

Bank Negara Malaysia's consumer and market conduct framework



About this case study

This case captures the actual experiences and challenges faced by AFI Policy Champion Koid Swee Lian and her team at the Consumer and Market Conduct Department, Bank Negara Malaysia.

AFI Policy Champions are outstanding policymakers that have made a substantial policy contribution to increasing access to financial services for the unbanked population in their countries. Through their case studies AFI Policy Champions tell their stories in their own voice so that other developing country policymakers may benefit from their experience and innovations.

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Acknowledgements: This case study was produced in close collaboration with Bank Negara Malaysia by Simone di Castri of the Alliance for Financial Inclusion. We thank AFI Policy Champion Koid Swee Lian and her team in the Consumer and Market Conduct Department for their ongoing support and willingness to share their experiences with the AFI network.

At a glance

This case study looks back on Bank Negara Malaysia's decade-long program to enhance consumer empowerment and market conduct and extracts key lessons.

Bank Negara Malaysia's consumer and market conduct framework

Following the Asian financial crisis of 1997, the government of Malaysia committed to a decade-long program of financial reform that aimed to improve financial stability through consumer protection and market conduct initiatives. The Financial Sector Master Plan (FSMP) was launched in 2001, and since then Bank Negara Malaysia has been working to align its business strategy and institutional capacity with the goals of the Plan. With financial stability as its primary objective, the Bank introduced initiatives that would help to strengthen the capacity of financial institutions, promote financial education among consumers, and ensure that financial institutions adhere to fair market practices.

Today, consumer empowerment and protection are pursued through a comprehensive framework that includes market conduct regulation and supervision, avenues for redress, consumer literacy and public awareness initiatives. This framework has been built progressively over time and has benefited from collaborations with other departments in Bank Negara Malaysia, consumer associations, and the industry. Since 2006, the Bank's Consumer and Market Conduct Department (CMC) has played a key role in developing the framework.

Key events in the development of the consumer and market conduct framework

Consumer empowerment	Market conduct
1997	
Asian financial crisis	
2001	
Financial Sector Master Plan 2001-2010 launched	
Central Credit Reference Information System (CCRIS)	
2003	
Consumer education platform launched	
Two online platforms created to provide information to the public on financial products: bankinginfo.com.my insuranceinfo.com.my	
2005	
The Bank sets up BNMLINK to assist the public and businesses with issues concerning financial products and services, in particular complaints and credit reporting	Financial Mediation Bureau created from the merger of the Banking Mediation Bureau and Insurance Mediation Bureau
Deposit Insurance Corporation established	
2006	
Credit Counselling and Debt Management Agency (AKPK) established	
The Bank reorganizes and establishes the Consumer and Market Conduct Department (CMC)	
	The Bank establishes the Market Conduct Working Group
2008	
The Bank consolidates customer and complaint management into the Integrated Contact Centre (ICC)	

A financial sector policy priority

In the past decade, Malaysia has experienced a range of positive impacts from consumer protection and market conduct initiatives in the financial sector. As with any complex policy, it is difficult to pinpoint a single reason for its success—a number of elements have contributed in varying degrees. Four in particular, however, have been essential:

- The political and economic environment created by the Asian financial crisis prompted the financial sector to rethink its policies and endorse reforms aimed at leveling the playing field between consumers and financial service providers (FSPs).
- The foresight of the Malaysian government in recognizing that consumer empowerment and protection would require reforms and regulations that went beyond Malaysia's already comprehensive consumer protection law (1999) and consumer welfare policy (2002).¹
- The appointment of Dr Zeti Akhtar Aziz as Governor of Bank Negara Malaysia in 2000, who brought a holistic vision to financial reforms.
- The far-sighted leadership of the Bank's and the pragmatic and inclusive approach it has taken.

Crisis and reform of the financial sector

The Asian financial crisis of 1997 had a significant impact on Malaysia's economy, disrupting the sterling growth that the country had been enjoying for a decade. At the time, Malaysia was a popular investment destination, with the Kuala Lumpur Stock Exchange regularly registering the highest turnover of any stock exchange in the world. Expectations were that this growth would continue and propel Malaysia to become a leading economy by 2020.

In July 1997, within days of the dramatic devaluation of the Thai baht, the Malaysian ringgit became the target of a speculation that cut the value of the currency in half, downgraded ratings, and forced the stock market to crash. Within a few months, Malaysia had plunged into recession, its first in many years. Various defensive measures were announced to overcome the crisis, and the Bank began working on a plan to revamp the finance sector and outline medium- and long-term strategies to develop a framework for financial reforms.

The Financial Sector Master Plan (FSMP) was the cornerstone of this framework. Mapping out a decade of reforms, the goal of the Plan was to make Malaysia's financial system more resilient and competitive. The Plan was organized into three phases:

- I. Strengthening the skills and capacity of domestic financial institutions and creating a foundation for consumer protection.
- II. Promoting greater competition by improving the efficiency of the financial system. This included opening new bank branches, expanding the ATM network, and offering a wider range of financial products.
- III. Integrating Malaysia's financial system with the global economy.

Consumer empowerment and protection as policy priorities

The FSMP focused on the stability of the financial sector, effective intermediation, and the efficient functioning of the financial markets. To foster competition and liberalization in the financial services industry, the plan calls for building a strong foundation: a marketplace in which consumers make informed financial decisions, have confidence in the market, understand and exercise their rights, and have legal recourse to address problems.

The Plan outlined several recommendations that would help to empower and protect consumers in an increasingly market-oriented financial system:

- I. To initiate an active and structured consumer education programme to educate consumers about retail products and services, and their rights and responsibilities as consumers.
- II. To make the performance of banking and insurance institutions and the profile of new products more transparent.
- III. To establish legal redress for consumers.
- IV. To expand the operations of the Banking Mediation Bureau and the Insurance Mediation Bureau.
- V. To introduce anti-trust regulation.
- VI. To establish a deposit insurance fund.

The recommendations of the FSMP were implemented incrementally, block by block. The development of the consumer and market conduct framework was driven by the need to remain practical and guided by a consultative process.

¹ The Consumer Protection Act of 1999 (CPA) came into force on November 15, 1999, under the authority of the Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC). On July 26, 2002, the National Consumer Policy (NCP) was launched to help consumers become more aware of their rights and interests, as well as promote consumer activism.

These efforts support the ability of consumers to assume greater individual responsibility for sound financial planning and to make financial decisions with confidence... [this] in turn contributes to financial stability by facilitating more efficient allocation of resources and risk in and through the financial system.²

Governor Zeti Akhtar Aziz

The Bank's mandate

The overarching strategy of the government's plan was clear: in order to empower and protect consumers, the financial sector would need sound regulatory standards for market conduct, a dynamic consumer education programme, and a robust infrastructure to provide the assistance that financial consumer need. Under the FSMP the Bank was assigned a key role in the development of the new framework.

Under the Central Bank of Malaysia Act of 2009, the Bank's main responsibilities include formulating and implementing monetary policy and ensuring the soundness and stability of the financial system. The Bank's work on financial sector development, consumer empowerment and market conduct, and financial inclusion, supports its pursuit of financial stability. The goals of these two agendas are mutually reinforcing.

The authority of the Bank extends to banks, insurance companies, development financial institutions, Islamic financial institutions, and the payments system. The vast majority of the clients of financial providers supervised by the Bank are retail customers and small and medium enterprises (SMEs). However, the Bank has engaged with consumers beyond the banking and insurance sector to promote its agenda of consumer empowerment and protection, including microfinance clients.

The Bank is also committed to financial inclusion, which is actively promoted with the aim to improve access to financial services for all and support balanced economic growth.

Figure 1: Malaysia's strategy for consumer empowerment and fair market conduct



² Financial Stability and Payment Systems Report 2006, Governor's Statement, http://www.bnm.gov.my/files/publication/fsps/en/2006/fs2006_book.pdf

Leadership in developing a framework

The Consumer and Market Conduct Department (CMC)

Before the launch of the FSMP, and for the first half of the implementation phase, oversight of market conduct fell to the Bank’s Regulation Department, the Insurance Regulation Department, and the Islamic Banking and Takaful³ Department. The Corporate Communication Department was responsible for launching several financial education initiatives.

At the end of 2006, the Bank reorganized its regulatory and supervisory functions and established the Consumer and Market Conduct Department (CMC). The creation of the CMC marked a milestone in the Bank’s efforts to safeguard the interests of consumers, bolster their financial literacy and capability, and promote adherence to fair market practices.⁴ The CMC regulates and oversees a broad range of financial providers, including all commercial banks, insurance companies, takaful operators and payment system players, and financial intermediaries (i.e. insurance and takaful brokers, financial advisers, and loss adjusters). The functions and organizational structure of the Consumer and Market Conduct department are illustrated in figure 3.

Figure 2: Malaysia’s financial institutions

	# of institutions	# of branches
Banks	55 (35)	2,312
Insurance and takaful companies	46 (23)	698
Insurance brokers	33	29
Financial advisers	15	15
Insurance adjusters	36	173
Development financial institutions	6	690

Notes: No. of domestic financial institutions in brackets

The solid framework that the Bank has progressively built has two main components:

- I. A set of standards of practice that applies to all financial services providers and is enforced by the CMC.
- II. Initiatives that provide consumers with skills, information, and support if they need assistance.

To adhere to this framework, the CMC has adopted a consultative approach that incorporates the needs and perspectives of different stakeholders, makes good use of market intelligence, and encourages consumer activism.

Consultative approach

The Bank’s success with promoting consumer empowerment and protection can be largely attributed to its inclusive attitude. The Bank works with a range of stakeholders that includes government ministries and agencies, business chambers, trade associations, consumer associations, the Bar Council, financial institutions, and industry associations. By taking a consultative approach, the Bank has complemented its staff’s knowledge with the expertise of these stakeholders.

Engagement with the banking and insurance industry is particularly important, and the Bank conducts regular dialogues with the financial institutions that it supervises and monitors. The aim is that financial institutions take responsibility for the fair treatment of consumers, improving selling practices, and the quality of disclosures and advice provided to consumers. *“These issues need to be addressed on the ground, with proper enforcement by management to prevent mis-selling practices, unclear documentation or misleading explanations by agents and marketing staff, and contract terms and exclusions that are unreasonable”* says Koid Swee Lian, CMC Director.

In the case of Malaysia’s cooperatives, the Bank is working on a memorandum of understanding with Suruhanjaya Koperasi Malaysia (Cooperatives Commission), which covers, among other things, information access and exchange, policy development, capacity building, and cooperation in areas of mutual interest. Consumer protection and market conduct is one area of cooperation that would promote information sharing and capacity building.

Ongoing dialogue with the industry has had a positive effect on compliance with market conduct requirements set by the CMC. Open communication between the regulator and the industry allows the Bank to design policies that take into account the complexity of certain products and services, and implement its regulations incrementally and with some degree of flexibility. Ultimately, these efforts help achieve consumer protection outcomes while balancing compliance costs for the industry.

³ Takaful is an Islamic insurance product.

⁴ Financial Stability and Payment Systems Report 2006, p. 87, http://www.bnm.gov.my/files/publication/fsps/en/2006/fs2006_book.pdf

Market intelligence

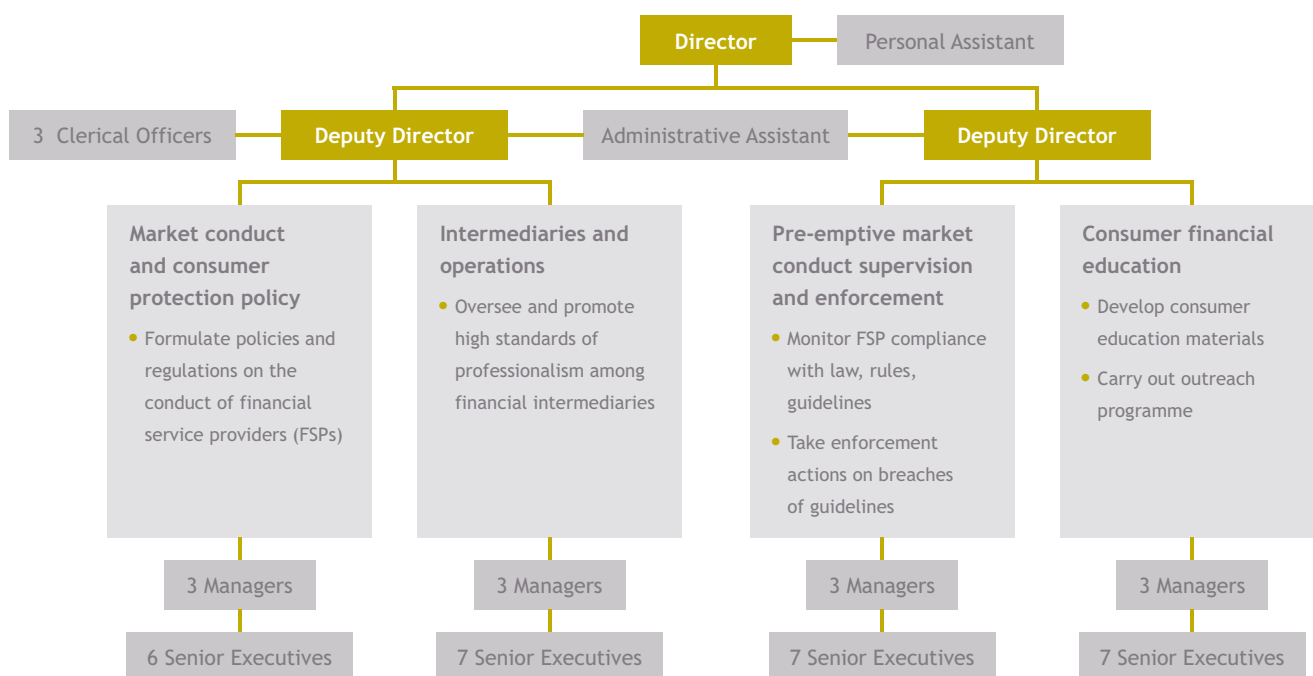
It is particularly important for the Bank to draft new policies – either programmes to empower consumers or guidelines on market conduct regulation – with market research results in mind. This includes data and information gleaned from consumer research, monitoring media, mystery shoppers, and customer complaints.

Consumer activism

The Bank believes that consumers should play a role in determining the quality of the financial products and services they use. This consumer activism is a part of a healthy,

dynamic, and responsive banking system. Improving the regulatory framework to enhance transparency and disclosures is intended to help consumers become more informed and to encourage their involvement. It is also necessary to promote awareness of the rights of financial services consumers and support a dynamic education programme that teaches consumers how to make informed financial decisions. The engagement of government regulatory and oversight bodies, collaboration with the industry, media activism, and the commitment of consumer advocates are all key elements of a dynamic approach to consumer empowerment and protection.

Figure 3: Organization and functions of the Consumer and Market Conduct Department (2010)



Enhancing market conduct

Transparent prices, adequate and timely disclosure of terms and conditions, suitable products, appropriate sales and marketing practices, fair debt collection procedures, and data protection are all concerns that the regulator faces in ensuring safe and convenient access to financial services for all.

To ensure the effectiveness of regulations and oversight for market conduct, the Bank has worked to improve principle-based regulation, and has devoted major efforts to enhancing capacity for appropriate enforcement actions and developing a more consistent legal framework across the financial sector.

Standards of conduct

The Bank expects financial service providers to act with due care and diligence, which involves gathering pertinent information from customers and assessing their financial needs before finalizing a contract or giving advice, and handling confidential information with care.

The Bank formulates and issues market conduct requirements in the form of guidelines. These guidelines regulate both the provision of certain types of products (conventional banking, takaful, insurance, Islamic bank products, and basic banking services) and certain aspects of the provision of financial services, including product transparency and disclosure, fees and charges for financial products, credit card marketing, complaint management, and fair debt collection practices. These guidelines currently apply to all financial services providers.

We expect the financial institutions to address at the outset in their internal operating and accountability frameworks how the firm will ensure that it is treating its customers fairly and in a way that promotes the customer's interests.

Assistant Governor Jessica Chew

Transparency and disclosure

Guidelines on product disclosure and transparency help to ensure that consumers have access to information that accurately represents the features, risks, and returns of a financial product or service.

All financial institutions are required to disclose information on fees and charges for their products and services and to make this information available at all branches and on their website. The Bank has standardized these disclosures, which must be timely, clear, concise, accurate, relevant, consistent, and comparable. Disclosure must occur both before and during the sale or subscription of a product.

Financial institutions must provide customers with a product disclosure sheet prior to purchasing or subscribing to a product or service (see Annex 1). This not only gives customers an opportunity to compare products, but to review changes in the terms and conditions of a product (which, in some cases, might prompt a customer to withdraw from a contract that is too onerous). It is the view of the Bank that mandatory disclosures reduce the risk of fraud and strengthen the accountability of financial institutions, which in turn boosts market competition.

Advertising

To prevent misleading advertising of financial services and products, aggressive marketing, unsolicited products, and credit limit and advances that can adversely affect consumers, the Bank has mandated several (cost-effective) best practices in advertising:

- I. Advertisements and promotional materials in any media should be written in plain language and must be clearly understood by consumers.
- II. A product or facility shall not be described as "free" or "no cost" if some maintenance fees or other charges apply.
- III. Advertisements must disclose clear, accurate, and relevant information about the features, risks, costs, benefits, and penalties of a product.
- IV. Terms and conditions, disclaimers, and notes should be of sufficient font size and prominence to be legible.
- V. Advertisements should highlight relevant information from a product's terms and conditions.
- VI. Advertisements must not obscure important facts.
- VII. Advertisements must not create a false impression about a financial institution or its products and services.

Introducing new and suitable products

Under the FSMP, the Bank has adopted a broad regulatory philosophy of “what is not prohibited is allowed”. This has prompted the Bank to phase out requirements for the pre-approval of products and to replace them with a simpler product notification process.⁵ The purpose of this is to enhance innovation while preserving the quality of products and services. Financial institutions are encouraged to invest in research and development to facilitate the timely launch of products, and the notification process ensures that regulators are aware of every product that is developed and launched. The authority of the Bank to intervene and take corrective action provides an additional level of protection for the consumer against wrong or misleading product information. The Bank also has the right to recall products that are detrimental to consumers or the stability of the financial system.

Debt collection practices

Improper or harassing debt collection practices can be harmful to consumers. In addition to losing an asset, these practices may subject consumers to an invasion of privacy or cause damage to their reputation, especially in small communities.

Financial institutions are allowed to use third party services for debt collection, subject to the condition that the agency’s practices are aligned with the Bank’s “Fair Debt Collection Practices” guideline. The guideline stipulates that debt collectors never resort to intimidation or violence and must follow best practices, such as notifying borrowers in writing prior to initiating collection, providing evidence that the collection has been authorized by the financial institution, and respecting the confidentiality of the borrower’s information.

The financial institution is responsible for any misconduct by the agent. If a borrower believes that a third party has violated its obligations, a complaint can be lodged with the financial institution. If the borrower is dissatisfied with the assistance they receive, the case can be submitted to the attention of the Bank.

Data protection

FSPs and financial intermediaries are required to institute proper policies and systems for safeguarding their customers’ information. FSPs are required to obtain a customer’s consent before sharing their personal information with marketing and promotional partners. FSPs are also subject to the recently enacted Personal Data Protection Act (2010).

Market oversight

The Bank monitors the compliance of financial institutions under its jurisdiction with the market conduct standards that it has put in place. Its oversight activities include:

- I. Thematic examinations;
- II. Media monitoring;
- III. Incognito visits/calls and mystery shopping; and
- IV. Market intelligence.

There is a small team of supervisors at the Bank that conducts on-site and off-site investigations, but the CMC team also relies on a broad circle of Bank staff to assist with oversight. Consumers and other market players assist in identifying breaches in market conduct, such as when a FSP reports another provider for behaving in a way that is detrimental to consumers.

A common practice for CMC staff, as in other Bank departments, is to take note of abuses they observe in their daily lives, such as misleading information on billboards, radio, or television commercials. This culture of informal market oversight, strong buy-in from staff, and inter- and intra-agency coordination are all essential for effective enforcement.

Thematic examination

Thematic examination refers to examinations of issues or problems in a specific area. For example, a market conduct supervisor might examine whether a particular financial service provider is meeting its obligations to consumers. The supervisor would assess whether the provider was complying with requirements relating to product disclosure, marketing and sales practices, promotional activities (such as contests), fees and charges, debt collection practices, complaint management, customer care, insurance claims management, or the quality of bank services (e.g. ATM performance).

Media monitoring

Daily reviews of advertising and promotional materials in major newspapers, radio, TV, fliers, and brochures have often revealed breaches of the CMC’s advertising requirements.

Mystery shopping

Periodically, the Bank uses mystery shoppers to detect violations and scams. This involves an incognito visit or call, depending on the focus of the investigation. Issues that have been discovered include lack of information about fees and terms and conditions, a failure to display mandatory informational materials and helpline numbers, inaccessible call centers, aggressive or illegal sales practices, or frontline officers who do not understand the products they are selling.

⁵ This was preceded by the strengthening of expectations for FSPs to have in place strong and effective oversight and control systems in respect of product developments and sales practices.

Remedial actions

The Bank may direct a financial institution to take appropriate remedial actions to address identified deficiencies in controls or provision for financial products.

Remedial actions include:

- I. Directing FSPs to moderate, withdraw, and/or refund prohibited fees and charges.
- II. Instructing FSPs to rectify and resolve potential violations due to mis-selling practices (for example, have communication packs in place, contact policy holders to confirm their understanding of policy's suitability, and refund premiums in full to policy holders who canceled their policies, and recover commissions paid to unscrupulous insurance agents).
- III. Recommending that FSPs modify or withdraw misleading advertisements.

Enforcement

Enforcement of market conduct regulations varies depending on the breach, but can include:

- A public or private reprimand;
- An order to comply;
- An administrative and civic penalty;
- Restitution to customer; or
- Prosecution.

The regulator may also leverage the risk to the FSP's reputation. Press coverage can draw public attention to a violation and compel the provider to fix a problem to protect its reputation and the reputation of the industry, before a Bank supervisor intervenes. Another action the Bank is considering is *çname and shameé*, which makes the name of a violating financial institution public through a reprimand in the media. This could be another deterrent for FSPs that do not want to risk their reputation.

Self-regulation

The Bank has devoted significant resources to market conduct regulation and surveillance, and to enforcing these regulations when FSPs adopt unfair practices. However, efforts are also focused on promoting self-regulation within the industry, which involves strengthening the roles and effectiveness of industry associations, and encouraging associations to enforce client charters and codes of conduct. Continuing dialogue between the Bank and industry associations has helped a great deal to improve industry standards.

In the long run, the industry as a whole has a clear interest in cultivating informed, responsible and capable consumers. Consumers must not only be treated fairly but be seen to be treated fairly because any unfair practice or allegation of the same could cause damage to the confidence in, or reputation of, the financial institution itself as well as of the industry as a whole.

Chuah Mei Lin, Executive Director,
The Association of Banks in Malaysia

Figure 4: Tools for enhancing market conduct

Standards of conduct	Market oversight	Remedial actions	Enforcement	Self-regulation
<ul style="list-style-type: none"> • Transparency and disclosure • Advertising • Introducing new and suitable products • Debt collection practices • Data protection 	<ul style="list-style-type: none"> • Thematic examinations • Media watch • Incognito visits/calls and mystery shopping • Market intelligence 	<ul style="list-style-type: none"> • Directing FSPs to moderate, withdraw, and/or refund prohibited fees and charges • Instructing FSPs to rectify and resolve potential violations • Recommending that FSPs modify or withdraw misleading advertisements 	<ul style="list-style-type: none"> • A public or private reprimand • An order to comply • An administrative and civic penalty • Restitution to customer • Prosecution 	<ul style="list-style-type: none"> • Client charters • Codes of conduct

Empowering consumers

The Bank recognizes that regulation alone is not enough to level the playing field between consumers and providers. A “bottom up” approach in which consumers are able to take personal responsibility for their financial well-being is equally important. The Bank is working to help consumers participate more actively in the financial system and become better equipped to make sound financial decisions.

To empower financial consumers, the Bank strives to improve:

- consumer awareness (knowing one’s rights and obligations);
- financial literacy (understanding basic information about financial products); and
- financial capability (finding information, assessing risks, and making informed decisions).

Having the knowledge and understanding of the issues would better equip consumers to manage their financial matters and to make well informed decisions regarding their own finances. In addition, it would also contribute to the soundness of the banking system and the efficiency of the payments system⁶

Governor Zeti Akhtar Aziz

The Consumer Education Programme (CEP)

Following the launch of the FSMP, the Bank initiated a comprehensive Consumer Education Programme (CEP) aimed at improving financial awareness, literacy, and capability. Recognizing that different consumers require different types of assistance, the Bank adopted several strategies, ranging from a financial literacy and capability program in rural areas to financial education road shows to developing curricula for students.

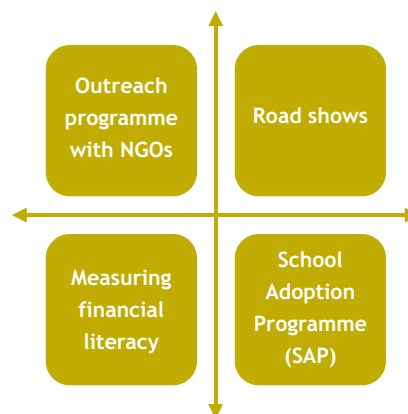
The Bank has developed and distributed a range of educational materials. Publications include the *Pocket Money Book*, which is used widely in Malaysian schools, and booklets on topics such as household financial management, which are available at bank branches. Information booklets are available in English, Bahasa Melayu, Mandarin, and Tamil. Publications are also printed in Braille for those who are blind or visually impaired.

Information is also available online at websites such as *bankinginfo.com.my* and *insuranceinfo.com.my*, which allow consumers to compare the features, fees, and costs of various financial products. More than 100,000 students have used the financial literacy tools on the Bank’s financial education website, *duitsaku.com*, which is also a platform for peer learning.

The Bank collaborates with various stakeholders and government agencies to improve consumer awareness and financial literacy and capability. For example, in 2010, a joint effort between the Bank and the Federation of Malaysian Consumers Associations (FOMCA) produced RINGGIT, a magazine covering the basics of financial management. More than 20,000 copies were distributed free of charge to schools, hospitals, government offices, and to parliamentarians to give to their constituents.

The Financial Education Working Committee was established to coordinate financial education initiatives and foster greater collaboration among its members, which include the Financial Mediation Bureau, the Credit Counselling and Debt Management Agency (AKPK), the Malaysia Deposit Insurance Corporation (PIDM) and the Securities Commission Malaysia. In forging these strategic alliances, the Working Committee has advanced the members’ shared goal of empowering consumers and promoting financial literacy.

Figure 5: The Consumer Education Programme (CEP)



⁶ Governor Dr. Zeti Akhtar Aziz us Dinner Address at the Citigroup-INSEAD Financial Education Summit 2005, 12 December 2005, <http://www.bnm.gov.my/index.php?ch=9&pg=15&ac=191>

School Adoption Programme (SAP)

The CMC has a particular interest in educating future generations of financial consumers, and has dedicated a special program to schoolchildren. In partnership with financial institutions and the Ministry of Education, the Bank prints the *Pocket Money Book*, and then financial institutions give it to adopted schools free of charge. The booklet is used to educate students about the importance of savings and smart money management. Since 1997, more than 10,000 schools nationwide have been adopted by banking institutions, life insurance companies, and development financial institutions, and more than 9 million copies of the Pocket Money Book have been distributed.

Road shows

The Bank and other agencies reach out to consumers through various regional and national road shows. These financial education events include Malaysian Consumer Day (Hari Pengguna Malaysia) and Financial Awareness Week (Minggu Kesedaran Kewangan or M2K). Financial Awareness Week is held every year in a different state and features talks and seminars about financial education.

Outreach programme with NGOs

Through a partnership programme with NGOs, the Bank is working to bring financial education to lower income groups. Each outreach program lasts six months, during which partner NGOs facilitate weekly meetings with the community and Bank staff. These meetings focus on learning basic financial skills, such as how to budget, manage an income, and where and how to save money. At the end of the program, a graduation session has participants demonstrate their ability to manage a budget effectively.

Measuring financial literacy

In order to assess the CEP and orient future policymaking, the Bank embarked on a process in 2010 to gauge the level of financial literacy in Malaysia. To obtain robust and comparable data, the Bank used the Financial Literacy Measurement Pilot, an OECD initiative that has been used to measure levels of financial literacy in 16 countries. The data set includes information on financial behavior and attitudes, knowledge, and skills of Malaysian households in money management.

Preliminary analysis of the survey results show a majority of Malaysians seemed to be prudent spenders and financially responsible for the most part. Surveyed consumers:

- consider carefully before buying;
- keep a close watch on their financial affairs;
- ensure they have sufficient funds for emergency;
- pay their bills on time; and
- set long-term goals and strive to achieve them.

The high income segment and the 30-49 age group exhibited advanced financial literacy and claimed to exercise financial responsibility in all measured areas. In comparison, the low income segment and older adults age 60 and above are lagging behind.

Avenues for help

Credit counselling

With the robust growth in private consumption, consumer wealth, and increased access to credit products, it has become essential for Malaysian consumers to understand how to manage their finances and debts prudently. In the last decade, the Bank has observed an increase in the number of people who are unable to meet their financial obligations, either because of unexpected changes to their financial situation or overstretched finances.

In response to this, the Bank established the Agensi Kaunseling Dan Pengurusan Kredit (AKPK), or the Credit Counselling and Debt Management Agency, in 2006. According to the AKPK Chief Executive Officer, Mr. Encik Mohamed Akwal Sultan, *“consumers who approached AKPK for assistance are from all walks of life. In most cases, the factors contributing to their indebtedness and inability to repay include poor financial planning, ignorance and lack of financial discipline to live within their means. There are also borrowers who have been affected by unforeseen circumstances like health problems, death of a breadwinner, loss of employment or business failure”*.

For these consumers, the AKPK provides financial counselling and debt management services, including assistance with restructuring or renegotiating loans, and teaches individuals basic money management skills and how to use credit responsibly. Since the AKPK was launched in 2006, over 130,000 people have contacted the Agency for counselling services, and 35,000 have enrolled in the Debt Management Program (DMP).⁷

The AKPK and the CMC work closely together, sharing knowledge and information about ways to prevent financial stress and how to support consumers when it happens.

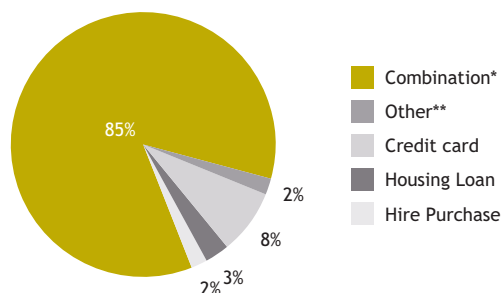
In 2011, as part of an ongoing effort to help Malaysians become more financially savvy, the Bank introduced the POWER Programme. POWER aims to equip individuals with practical knowledge and skills in money and debt management, and targets new and prospective borrowers and young adults. The programme focuses on practical applications of financial decisions and their consequences in real life situations.⁸

⁷ The AKPK has regional offices in Penang, Johor Bahru, Kuala Terengganu, Kuantan, Ipoh, Malacca, Alor Setar, Kota Bharu, Kuching, and Kota Kinabalu.

Figure 6: Cases received by AKPK in 2010

Types of cases	Number	% of total cases
Counselling	30,010	100
Of which Debt Management Program (DMP)	15,603	52

DMP – Breakdown by credit facility



* Combination – Credit Card, Housing Loan and Hire Purchase

** Others – Term Loan/Personal Loan/Share Margin Financing

BNMLINK

In instances of fraud or when consumer rights have been violated, customers can file a complaint directly with the Bank’s customer service centre called Bank Negara Malaysia Laman Informasi Nasihat dan Khidmat (BNMLINK). BNMLINK assists the public and businesses with complaints and issues concerning financial products and services, and advises small and medium enterprises (SMEs) that need financing and verification of credit history and status.

There are now six BNMLINK centers nationwide, with the first BNMLINK established in Kuala Lumpur in January 2005. There has been a significant upward trend in the number of consumers seeking information and assistance from the Bank through BNMLINK, with 155,711 individuals and businesses assisted in 2010.

In 2007, BNMLINK became part of the Bank’s Integrated Contact Centre (ICC) that aims to improve customer service and responses to queries about financial matters.

Online information

The website, bankinginfo.com.my, provides consumers with a variety of financial resources. Households can use portfolio management tools, and borrowers and savers can comparative shop using tables that outline costs and key features of financial products (See Annex 2). Tutorials help consumers to plan their finances, understand financial products, and learn about consumer rights and obligations.

Figure 7: Number and nature of complaints received by Integrated Contact Centre (ICC) in 2010

	2009	2010	% increase
Complaint Management and Advisory	8,146	8,820	8.3%
SME Advisory	773	549	(29.0%)
LINK (HQ and branches)	113,638	155,711	37.0%
TELELINK	131,244	128,308	(2.2%)
Total	253,801	293,388	15.6%

Nature of complaints

Access to financing	59.6%
Operational and procedures	19.5%
Customer service	11.1%
Fees and charges	4.2%
Fraud	2.4%

Avenues for redress

Another important way to empower consumers is to provide them with cost-effective mechanisms for timely redress when they encounter a problem with a financial institution. The CMC has required financial institutions to set up complaint desks to respond to customer concerns. Conventional and Islamic banks, insurance companies, and takaful operators have all established a Complaint Unit. The Bank actively promotes public awareness of the redress mechanisms customers can use to lodge complaints against financial institutions.

Financial Mediation Bureau (FMB)

The Bank has realized that a cost-effective, simple, and easily accessible dispute resolution process is essential for treating customers fairly. Biro Pengantaraan Kewangan (BPK), or the Financial Mediation Bureau, is an independent body dedicated to providing customers with objective and timely resolution of disputes, claims, and complaints about services from financial institutions. An alternative to the courts, this service is free of charge and promises to address disputes within three months.

⁸ Attendance at the half-day POWER Programme is voluntary and free of charge. It covers topics that commonly confront most young adults in the management of their financial affairs and is delivered in an interactive, relevant and creative manner. The modules address topics such as how to analyze and manage personal or household cash flows, maintain manageable debt levels, and the key considerations and processes that a potential borrower should understand when obtaining financing for house and car, or credit card facilities for personal use.

Further policy tools: deposit insurance

The deposit insurance system was launched in September 2005 and administered by Perbadanan Insurans Deposit Malaysia (PIDM), a government agency. PIDM was established to protect depositors against loss from insured deposits, which would help to support the goals of consumer protection

and financial stability. The government opted to set up the deposit insurance system to avoid the moral hazard of creating a blanket guarantee or insurance scheme, and to provide incentives for sound risk management in the financial system.

Figure 8: Complaints Received by Financial Mediation Bureau in 2010

As at December 2011

Banking and Islamic Banking Institutions (BIs)

902 complaints against BIs.

Majority of the complaints relates to the following:

Complaints	Cases	% of Total
Unauthorised use of credit cards	309	34.3
Non-dispensation at ATMs	149	16.5
Unauthorised ATM withdrawals	133	14.7

Status of complaints (includes 1,119 cases b/f from 2007-2009)

Complaints	Cases	% of Total
Awarded	253	12.5
Rejected	99	4.9
Withdrawn	99	4.9
Settled at/before/after mediation	222	11.0
Outstanding	1,348	66.7

Insurers and Takaful Operators

1,211 complaints against insurers and takaful operators.

Majority of the complaints relates to the following claims:

Complaints	Cases	% of Total
Motor	563	46.5
Hospital and surgical benefits	227	18.7
Total and permanent disability	55	4.5

Status of complaints (includes 1,624 cases b/f from 2007-2009)

Complaints	Cases	% of Total
Insurers' decision revised	519	18.3
Insurers' decision confirmed	551	19.4
Outstanding	1,765	62.3

Figure 9: Avenues to seek help and redress



Conclusion

Impact

Over the last decade the Bank has comprehensively addressed the needs of Malaysia's rapidly transforming financial sector with a regulatory and supervisory framework that safeguards consumers and strengthens fair market conduct, while promoting sustained economic growth.

The 2001 FSMP guided the financial sector through a decade of reforms to make Malaysia's financial system more resilient and competitive, and outlined several recommendations to set up the consumer and market conduct framework. The impact has been visible.

The Bank, through the CMC, has set sound regulatory standards for market conduct, and in partnership with other public agencies and the private sector it has developed a dynamic Consumer Education Programme (CEP), and built a robust infrastructure to provide the assistance that financial consumers need.

Cost-effective redress mechanisms and avenues for help have contributed to a progressive and sound financial sector where competition and consumer protection coexist. The CEP has raised consumers' awareness, increased understanding of basic information about financial products, and improved their capacity to find information, assess risks, and make informed decisions. The rise in consumer activism is reflected in the increased feedback that the Bank has received from consumers as well as the number of disputes or claims mediated by the Financial Mediation Bureau. (See Figures 7 and 8)

Fair market practices have been strengthened by new and robust standards for market conduct, such as regulations that have expanded and intensified the supervisory role of the Bank. In the last decade, the Bank has observed improved procedures for filing and managing claims, as well as greater disclosure and transparency in marketing products. Incognito visits and calls made by the Bank contributed to improved product knowledge among frontline FSP officers and helped to improve the telephone etiquette of call centre personnel. Media monitoring, has encouraged financial institutions to take greater care with their advertisements and promotional materials. For example, while in 2009, the Bank reported that 18 banking institutions modified their advertisements and three insurers and takaful operators withdrew advertisements that did not conform to advertising requirements, in 2010 only 35 out of 353 advertisements reviewed were modified and none needed to be withdrawn.

Consumers are better protected from unfair practices such as aggressive marketing of financial products, misconduct of debt collectors, mis-selling of financial products by agents of financial service providers. Further, consumers now have greater access to information on financial products or services to facilitate comparison and are better equipped to make informed decisions when purchasing financial products or services.

Koid Swee Lian, CMC Director

Looking ahead

The Bank aims to create a marketplace in which consumers are able to make informed decisions about a wide range of products and services. Fostering a dynamic and progressive financial sector that would make this marketplace a reality is a responsibility that must be shared by the regulator, the industry, consumers, and other stakeholders. Consumers need to take greater responsibility for managing their finances by understanding their rights and obligations and exercising due care and skill in selecting products and services. At the same time, financial service providers need to operate in a fair, equitable, and transparent way in their dealings with customers.

In the years ahead, the Bank aims to do its part by improving the framework for market conduct regulation and oversight, and developing better and more effective programmes for consumer empowerment. It will do this by:

1. Addressing industry-wide aggressive sales practices that pressure consumers to purchase unsuitable products.
2. Finding areas where regulation can be delegated to the industry.
3. Ensuring that an expanded financial system is always accompanied by adequate consumer protection.
4. Closing regulatory gaps extending oversight of market conduct across the industry, especially to cooperatives and unlicensed microlenders.
5. Tailoring consumer empowerment initiatives to the needs of specific groups, leaving implementation to other partners (such as the AKPK) when it is more effective.
6. Improving policy by making good use of market intelligence and assessing current programmes.

In 2011 Bank Negara Malaysia will release a new financial sector blueprint that will include consumer empowerment and protection as key themes.

Annex 1: Product Disclosure Sheet

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to purchase the <Name of Product>. Be sure to also read the general terms and conditions.)

<Name of Financial Service Provider>

<Name of Product>

<Date>

1. What is this product about?

This unsecured personal loan is calculated on a variable rate basis.

2. What do I get from this product?

- Total amount borrowed: RM xxx
- Interest rate: BLR + y% p.a.
- Effective lending rate: z%
- Tenure: k years

3. What are my obligations?

- Monthly instalment: RM xxx
- The total amount you must pay back, including the amount borrowed is: RM xx

Note: Total repayment amount may vary if BLR changes.

4. What are the fees and charges I have to pay?

Stamp Duties

As per the Stamp Duty Act 1949 (Revised 1989).

5. What if I fail to fulfil my obligations?

- Late payment penalty: y% p.a. on the amount in arrears
- Right to set-off: We have the right to set-off any credit balance in your account maintained with us against any outstanding balance in this loan account.

(To highlight other key terms and conditions.)

6. What if I fully settle the loan before its maturity?

- Lock-in period: k months
- Early settlement penalty: y% on the prepaid amount or minimum RM xx

7. What are the major risks?

The interest rate on this loan is variable and it may change according to changes in the reference rates. An increase in interest rate may result in higher monthly repayment. If you have problems meeting your loan obligations, contact us early to discuss repayment alternatives.

8. Do I need a guarantor or collateral?

Indicate if a guarantor or collateral is required.

9. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

10. Where can I get further information?

If you have any enquiries, please contact us at: ABC Bank Berhad
51, Jalan Sultan Ismail
50122 Kuala Lumpur

11. Other personal loan packages available

- abc
- xyz

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR PERSONAL LOAN.

Annex 2: Comparative table on microfinance

For the most recent version of this table please see the BankingInfo website: http://www.bankinginfo.com.my/04_help_and_advice/0401_useful_tools/comparative_tables/comparative_table.php

COMPARATIVE TABLE ON MICROFINANCE (PEMBIAYAAN MIKRO) PRODUCT FROM BANKINGINFO

Updated on 28 October 2010

FEATURES	AGROBANK	BANK RAKYAT	BANK SIMPANAN NASIONAL	ALLIANCE BANK	AMBANK	CIMB BANK	EONCAP ISLAMIC BANK	MAYBANK	PUBLIC BANK	UNITED OVERSEAS BERHAD
Public Hotline Numbers	<ul style="list-style-type: none"> Headquarters 03-27311600 ext.2040/2033 /2034/2036 /2037 Kuala Lumpur 03-40272500 Direct line: 03-40272536 /08/10/11/12 Kota Kinabalu 088-256 657/8 Johor Bahru 07-2247788 Kota Kinabalu 082-237159 /177 082-424577 Kuching 088-288237 	<ul style="list-style-type: none"> Kuala Lumpur 03-2142 5258 /03-21623222 ext.7303/7312 /7322/7324 Sabah: 088-215600 Sarawak: 082-417971 Kedah: 04-7335554 Johor: 07-2234718 Pahang: 09-5165079 Terengganu: 09-6227622 Melaka: 06-2836001 Penang: 06-2263211 Perak: 05-2414400 	<ul style="list-style-type: none"> Kuala Lumpur 03-62502610 Penang 04-5401100 Johor 07-3537105 Kuala Terengganu 09-6301290 Sabah 088-432420 	<ul style="list-style-type: none"> Kuala Lumpur 03-21673000 ext.81421 /81147/82640 73879/81228 088-280105 082-207200 	<ul style="list-style-type: none"> 1-300-880900 03-20352200 	<ul style="list-style-type: none"> 03-26161222 /03-26161133 	<ul style="list-style-type: none"> Customer Service (24 hours): 1-300-88-6688 	<ul style="list-style-type: none"> 1-800-22-9999 	<ul style="list-style-type: none"> Kuala Lumpur 03-26128121 Penang 04-2401121 Johor Bahru 07-2881121 Kuching 082-287121 Kota Kinabalu 088-477121 	
Product Name	<ul style="list-style-type: none"> Modal Usahawan 1 Malaysia (MUS1M) (Conventional and Islamic) Skim Pembiayaan Mikro-i (*MUSK) (MUSK-Modal untuk Usahawan Kecil) 	<ul style="list-style-type: none"> BSN TemaNiaga BSN TemanMesra BSN TemaNiaga-i 	<ul style="list-style-type: none"> Rakan Personal Financing (Conventional) Rakan Personal Financing-i (Islamic) 	<ul style="list-style-type: none"> Rakan Personal Financing 	<ul style="list-style-type: none"> AmMikro 	<ul style="list-style-type: none"> Xpress Cash Financing-i (Islamic) 	<ul style="list-style-type: none"> Pembayaan Peribadi-i (3P) Pembayaan Peribadi-i Pesara Kerajaan (3PK) Pembayaan Peribadi Gratuiti (JPA) Pembayaan Peribadi Gratuiti (Tentera) 	<ul style="list-style-type: none"> Maybank Mikro (conventional) Maybank Islamic Mikro (Islamic) 	<ul style="list-style-type: none"> PBMicro Finance 	<ul style="list-style-type: none"> EasiCash
Loan Size	<ul style="list-style-type: none"> RM1,000- RM50,000 	<ul style="list-style-type: none"> RM5,000- RM50,000 	<ul style="list-style-type: none"> RM2,000- RM50,000 	<ul style="list-style-type: none"> RM3,000- RM50,000 	<ul style="list-style-type: none"> RM3,000- RM50,000 	<ul style="list-style-type: none"> RM3,000- RM50,000 	<ul style="list-style-type: none"> RM3,000- RM50,000 	<ul style="list-style-type: none"> RM3,000- RM50,000 	<ul style="list-style-type: none"> RM3,000- RM50,000 	<ul style="list-style-type: none"> RM5,000- RM50,000

Disclaimer: Comparative table displayed here serve only as a guide, not recommendation. Please consult your financial institution before making any decisions

COMPARATIVE TABLE ON MICROFINANCE (PEMBIAHYAAN MIKRO) PRODUCT FROM BANKINGINFO (continued)

FEATURES	BANK					EONCAP ISLAMIC BANK	MAYBANK	PUBLIC BANK	UNITED OVERSEAS BERHAD
	AGROBANK	BANK RAKYAT	SIMPANAN NASIONAL	ALLIANCE BANK	AMBANK				
Eligible Economic Sector	<ul style="list-style-type: none"> All sectors 	<ul style="list-style-type: none"> Agriculture Services Retailing and trade Manufacturing 	<ul style="list-style-type: none"> Manufacturing Retailing Services Wholesale 	<ul style="list-style-type: none"> All sectors 	<ul style="list-style-type: none"> Retail Services and trade Manufacturing 	<ul style="list-style-type: none"> All sectors 	<ul style="list-style-type: none"> All sectors 	<ul style="list-style-type: none"> Agriculture Services and trade Manufacturing 	<ul style="list-style-type: none"> All sectors
Eligible Customers	<ul style="list-style-type: none"> Micro enterprises including part-time micro enterprises) 	<ul style="list-style-type: none"> Members of cooperatives and Hawkers and Petty Traders Association Full-time micro enterprises Micro enterprises 	<ul style="list-style-type: none"> Self-employed individuals Micro enterprises 	<ul style="list-style-type: none"> Self-employed individuals 	<ul style="list-style-type: none"> Individuals Sole-proprietors Partnerships Private limited companies 	<ul style="list-style-type: none"> Ex-army (3P) Government pensioner (3PK) Retiring Government servant (Gratuity JPA) Retiring Army (Gratuity Army) 	<ul style="list-style-type: none"> Self-employed Micro enterprise 	<ul style="list-style-type: none"> Self-employed individuals Micro enterprises 	<ul style="list-style-type: none"> Self-employed individuals
Tenure	<ul style="list-style-type: none"> 3 months-5 years 4 working days 	<ul style="list-style-type: none"> 1 month-5 years 10 working days 	<ul style="list-style-type: none"> 1-5 years 6 working days (Subject to complete documentation) 	<ul style="list-style-type: none"> 6 months-5 years 2 working days 	<ul style="list-style-type: none"> 1-5 years 2 working days (Subject to complete documentation) 	<ul style="list-style-type: none"> 3-15 years 5 working days 	<ul style="list-style-type: none"> 1-5 years (Self-employed) 6 working days (Micro enterprise) 	<ul style="list-style-type: none"> 1-5 years 6 working days 	<ul style="list-style-type: none"> 2-5 years 2 working days (Upon receipt of complete documentation)
Committed disbursement time	<ul style="list-style-type: none"> 3-5 working days 	<ul style="list-style-type: none"> 1 working day 	<ul style="list-style-type: none"> 4 working days (After acceptance of letter offer/loan agreement) 	<ul style="list-style-type: none"> 1 working day 	<ul style="list-style-type: none"> 3-5 working days 	<ul style="list-style-type: none"> 3-5 working days 	<ul style="list-style-type: none"> 1 working day after approval (Self-employed) 3 working days after receipt of CGC* approval (Micro enterprise) (* CGC-Credit Guarantee Corporation Scheme) 	<ul style="list-style-type: none"> PBMicro Finance (With CGC*): 4 working days from receipt of CGC guarantee cover PBMicro Finance (Without CGC*): 4 working days (* CGC-Credit Guarantee Corporation Scheme) 	<ul style="list-style-type: none"> 7 working days

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COMPARATIVE TABLE ON MICROFINANCE (PEMBIAHYAAN MIKRO) PRODUCT FROM BANKINGINFO (continued)

FEATURES	BANK RAKYAT		BANK SIMPANAN NASIONAL		ALLIANCE BANK		AMBANK		CIMB BANK		EONCAP ISLAMIC BANK		MAYBANK		PUBLIC BANK		UNITED OVERSEAS BERHAD	
	AGROBANK	RAKYAT	SIMPANAN NASIONAL	ALLIANCE BANK	AMBANK	CIMB BANK	EONCAP ISLAMIC BANK	MAYBANK	PUBLIC BANK	UNITED OVERSEAS BERHAD								
Eligibility Criteria	<ul style="list-style-type: none"> Age between 21-60 years old At least with 1 year business/project experience Has valid business permission (License, tenant agreement etc) Place of residence close to business/project site 	<ul style="list-style-type: none"> Age between 18-65 years old Cooperative/Hawkers and Petty Traders Associations member Belongs to a self-help group Full-time owner operating a business At least with 2 years business experience Place of residence is within the business vicinity Have valid business license/permit/registration 	<ul style="list-style-type: none"> Age between 21-60 years old Have valid business license/permit/registration Have been in business continuously for at least 6 months Fulltime involvement in the business 1-3% rebate on interest for customers with prompt payment conduct (Subject to banks discretion) 	<ul style="list-style-type: none"> Business Enterprises Operator age between 25-60 years old Minimum of RM48,000 per annum turnover Maximum RM1 million per annum turnover Minimum 3 years in business Mandatory to open savings account and sign up for credit protector insurance 	<ul style="list-style-type: none"> Individuals aged between 18-60 years old (Age limit at maturity date) Individuals/sole proprietors/partnerships/private limited companies At least with 1 year of business experience Has valid business registration 	<ul style="list-style-type: none"> Age between 21-60 years old Self-Employed Minimum of RM800 monthly gross income 6 months working/6 months in business 	<ul style="list-style-type: none"> Retiring/ex-Malaysia Armed Force (Under the pension scheme) Retiring/former civil servant (Under the pension scheme) Maximum age upon application: 67 years old Have valid business license/permit/registration 	<ul style="list-style-type: none"> Self-employed Malaysian citizen Age between 21-60 years Valid business license/permit Business must be owner operated and on full time basis 2 years experience Micro Enterprise Registered with Companies Commission of Malaysia Minimum 2 years experience Micro enterprise according to NSDC definition 	<ul style="list-style-type: none"> Individuals Aged between 25-60 years old Have valid business license/permit Business must be owner operated and on a full-time basis Have permanent residential address Business Experience Companies registered with Companies Commission of Malaysia Have valid business license/permit Business must be owner operated and on a full-time basis Have relevant business experience 	<ul style="list-style-type: none"> Age between 21-55 years old Self-employed Minimum of RM30,000 yearly income Minimum 3 years consecutively in the same business 								

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COMPARATIVE TABLE ON MICROFINANCE (PEMBIAYAAN MIKRO) PRODUCT FROM BANKINGINFO (continued)

FEATURES	BANK RAKYAT		BANK NASIONAL		ALLIANCE BANK		AMBANK		CIMB BANK		EONCAP ISLAMIC BANK		MAYBANK		PUBLIC BANK		UNITED OVERSEAS BERHAD	
	AGROBANK	BANK RAKYAT	SIMPANAN NASIONAL	ALLIANCE BANK	AMBANK	CIMB BANK	EONCAP ISLAMIC BANK	MAYBANK	PUBLIC BANK	UNITED OVERSEAS BERHAD								
Common Documents Required	<ul style="list-style-type: none"> • Identity card (Borrower and spouse) • Proof of business operations (E.g. business registration/license/registration/permit) • Proof of income (E.g. income (E.g. bank statement) • Utility bills • Other relevant documents 	<ul style="list-style-type: none"> • Identity card • Proof of business operations (E.g. business registration/license/registration/permit) • Proof of income (E.g. sales record, bank statements) • Recommendation letters from panel cooperatives and self-help group members 	<ul style="list-style-type: none"> • Identity card • Proof of business operations (E.g. business registration/license/registration/permit) • Proof of income (E.g. income by copy of latest 3 months bank statement) • Other relevant documents 	<ul style="list-style-type: none"> • Identity card • Proof of business operations (E.g. business registration/license/registration/permit) • Proof of income (E.g. bank statement) • Other relevant documents 	<ul style="list-style-type: none"> • Identity card • Proof of business operations (E.g. business registration/license/registration/permit) • Proof of income (E.g. bank statement) • Other relevant documents 	<ul style="list-style-type: none"> • Identity card • Pensioner's card • Business registration/permit/license • Proof of business operations (E.g. business registration/license/registration/permit) • Proof of income (E.g. latest 6 months bank statement, Income Tax statement) • Business registration (where applicable) • Bank's confirmation that account in operation 2 years satisfactorily 	<ul style="list-style-type: none"> • Identity card • Proof of business operations (E.g. business registration/license/registration/permit) • Proof of income (E.g. bank statement) • Utility bills • Other relevant documents 	<ul style="list-style-type: none"> • Identity card • Proof of business operations (E.g. business registration/license/registration/permit) • Proof of income (E.g. latest Form B/BE-with tax payment receipt, latest 3 months bank statements, or latest copy of credit/charge card(s) of at least 1 year) 										
Product Delivery Channel	<ul style="list-style-type: none"> • All Agrobank branches and Felda offices that display the national Pembiayaan Mikro logo 	<ul style="list-style-type: none"> • All Bank Rakyat branches that display the national Pembiayaan Mikro logo 	<ul style="list-style-type: none"> • All Bank Simpanan Nasional branches and dedicated BSN Microfinance Centers that display the national Pembiayaan Mikro logo 	<ul style="list-style-type: none"> • All AmBank branches that display the national Pembiayaan Mikro logo 	<ul style="list-style-type: none"> • All CIMB branches that display the national Pembiayaan Mikro logo 	<ul style="list-style-type: none"> • All EONCAP Islamic Bank branches that display the national Pembiayaan Mikro logo 	<ul style="list-style-type: none"> • All Maybank branches that display the national Pembiayaan Mikro logo 	<ul style="list-style-type: none"> • All Public Bank branches that display the national Pembiayaan Mikro logo 	<ul style="list-style-type: none"> • All United Overseas Bank branches that display the national Pembiayaan Mikro logo 	<ul style="list-style-type: none"> • All Alliance Rakan branches and Alliance Bank branches that display the national Pembiayaan Mikro logo 								

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About AFI

The Alliance for Financial Inclusion (AFI) is a global network of central banks and other financial inclusion policymaking bodies in developing countries. AFI provides its members with the tools and resources to share, develop and implement their knowledge of financial inclusion policies. We connect policymakers through online and face-to-face channels, supported by grants and links to strategic partners, so that policymakers can share their insights and implement the most appropriate financial inclusion policies for their countries' individual circumstances.

Alliance for Financial Inclusion

AFI, 399 Interchange Building, 24th floor, Sukhumvit Road, Klongtoey - Nua, Wattana, Bangkok 10110, Thailand
t +66 (0)2 401 9370 f +66 (0)2 402 1122 e info@afi-global.org www.afi-global.org

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