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NATIONAL BANK OF ETHIOPIA
ADDIS ABABA

FINANCIAL CONSUMER PROTECTION

DIRECTIVE NO. FCP/01/2020

Whereas, trust and confidence of financial consumers promote financial inclusion, healthy financial transactions, and stimulate growth, stability, ethical innovation and efficiency in the financial system;

Whereas, innovation and development in the financial infrastructure and products and services, would possibly increase the risks and challenges particularly that low-income and less experienced financial consumers face;

Whereas establishing clear and objective financial consumer protection regulation, supervision, complaint handling and dispute resolution mechanisms are necessary to promote fair, responsible and transparent financial transactions and shape professional conduct of financial services providers towards financial consumers;

Now, therefore, in accordance with article 57 of the Banking Business Proclamation No. 592/2008 as amended by Banking (Amendment) Proclamation No. 1159/2019, article 59 of the Insurance Business Proclamation No. 746/2012 as amended by Insurance (Amendment) Proclamation No. 1163/2019, article 26 of the Micro-financing Business Proclamation No. 626/2009 as amended by Microfinance Business (Amendment) Proclamation No. 1164/2019 and article 20(2) of the National Payment Proclamation No. 718/2011, the National Bank of Ethiopia has issued this directive as follows.

1. Short title

This directive may be cited as “**FINANCIAL CONSUMER PROTECTION DIRECTIVE NO. FCP/01/2020**”

2. Definitions

Unless the context otherwise provides, for the purpose of this directive:

2.1. “**account**” means an account relating to a financial products or services;

2.2. “**agent**” means a person appointed and contracted by the financial service provider to act on behalf of a financial service provider and for a commission in a manner specified by the relevant directives of the National Bank;

- 2.3. “**annual interest rate**” means the per annum rate of interest that applies under a financial consumer contract;
- 2.4. “**board**” means the Board of Directors of a financial service provider;
- 2.5. “**complaint**” means an expression of dissatisfaction relating to a financial product or service or security by a financial consumer or security provider that is not immediately resolved by the financial service provider;
- 2.6. “**complainant**” means a person who lodges complaint against a financial service provider to the National Bank;
- 2.7. “**credit account**” means an account held in relation to a financial consumer credit contract;
- 2.8. “**credit insurance**” means insurance that guarantees the capacity of a financial consumer to make payments under a consumer credit contract, including in the event of one or more of sickness, injury, disability, death or unemployment;
- 2.9. “**current account**” means a deposit account used to receive and send money and pay for goods and services which may have attached to it a cheque facility and / or an overdraft facility and on which no interest, or only nominal interest, is paid;
- 2.10. “**dispute resolution**” means a processes used to resolve disputes between parties to the financial transaction, including negotiation, mediation, arbitration, and litigation etc;
- 2.11. “**digital financial services**” means financial services including payments, remittances and insurance accessed and delivered through digital channels;
- 2.12. “**external dispute resolution**” means a dedicated scheme, to be established by the National Bank, for resolving disputes between the financial consumer and/or the security provider and the financial service provider;
- 2.13. “**financial consumer**” means a current or a prospective customer of a financial service provider;

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- 2.14. “**financial consumer contract**” means a contract between the financial consumer and the financial service provider on financial products or services;
- 2.15. “**financial product or service**” means any product or service of a financial nature marketed, offered or provided to financial consumers by a financial service provider ;
- 2.16. “**financial service provider**” means banks, insurers, microfinance institutions, Capital Goods Finance Companies, postal savings, money transfer institution or such other similar institution as specified by the National Bank;
- 2.17. “ **fixed term loan**” means a type of loan that is repaid in regular payments over a set period of time;
- 2.18. “**fixed term loan contract**” means a contract for a fixed term loan;
- 2.19. “**Key Facts Statement**” or “**KFS**” means pre-contractual information provided by a financial service provider to its financial consumers in printed or electronic format that summarize the main characteristics of the financial products or services;
- 2.20. “**internal complaint handling process**” means a complaint or dispute resolution process to resolve disputes between the financial consumer or security provider and the financial services provider in accordance with the written policies and procedures of the latter and applicable directives of the National Bank;
- 2.21. “**mobile wallet account**” means an on-demand account used to receive and send money and pay for goods and services via a mobile device such as a mobile phone, but which does not have attached to it a check or overdraft facility;
- 2.22. “**National Bank**” means the National Bank of Ethiopia;
- 2.23. “**person**” means natural or legal person;
- 2.24. “**personal characteristic or affiliation**” means gender, race, ethnicity, political affiliation or beliefs, marital status, disability or sexual orientation;

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- 2.25. **“advice”** means advice given to a financial consumer or to security provider in relation to the suitability of a specific financial product or service for that financial consumer’s financial objectives, needs or capacity;
- 2.26. **“data”** means any information about an identified or reasonably identifiable financial consumer or security provider;
- 2.27. **“receipt”** means paper or electronic evidence provided by the financial services provider for any payment in respect of financial products and services;
- 2.28. **“savings account”** means an on-demand deposit account on which interest may be earned on any part of the account balance, but which is not a time deposit or a mobile wallet account;
- 2.29. **“security”** means any:
- a) security rights over movable property as defined in a Proclamation No.1147/2019, to provide for Movable Property Security Right ;
 - b) security rights over immovable property;
 - c) personal guarantee; or
 - d) other undertaking,
- granted for the purposes of providing security for the obligations of a financial consumer in relation to any financial product or service;
- 2.30. **“security contract”** means a contract for a security;
- 2.31. **“standard form contract”** means a financial product and service contract or a security contract that has been prepared by a financial service provider without negotiation and consent with the financial consumer or security provider;
- 2.32. **“security provider”** means a financial consumer that provides or proposes to provide a security;
- 2.33. **“third party”** means a person who is outside of or not a direct party to the contractual relationship between the financial service provider and the financial consumer;

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2.34. “time deposit” means a deposit account in which all or part of the balance is deposited for a fixed period at an agreed interest rate;

2.35. “unfair terms” has the meaning specified in Article 5.1.1.2 of this directive; and

2.36. Expressions in the masculine gender include the feminine.

3. Scope of applications

This directive shall apply to any financial service provider, financial product and service, and financial consumer and security provider.

4. General provisions

4.1. Fair treatment

Financial services providers:

4.1.1. shall treat all financial consumers equitably, respectfully, honestly and fairly at all stages of their relationship with the financial consumers;

4.1.2. shall not discriminate, unless required or permitted by law, against any financial consumer or security provider on the basis of a personal characteristic or affiliation with the financial consumer; and

4.1.3. give special attention and priority to the particular needs of, and difficulties faced by, vulnerable, socially and economically marginalized consumer groups such as inexperienced consumers, physically disabled, etc....

4.2. Transparency and disclosure

A financial service provider shall ensure that financial consumers and security providers are provided with accurate, simple, clearly expressed and timely information about the features, likely risks, obligations and other terms and cost of any financial product or service or security they are considering.

4.3. Product design and suitability

Financial service providers have general obligations to take reasonable steps to:

4.3.1. ensure that any financial product or service shall be designed, marketed and distributed having appropriate regard to the likely financial objectives, needs,

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capacity and behaviors of financial consumers in the target market with a view to minimizing the risk of harm to those financial consumers; and

- 4.3.2. consider the financial objectives, needs and capacity of a financial consumer before providing them with a financial product.

4.4. Data protection

A financial service provider shall:

- 4.4.1. keep data confidential and secure; and
- 4.4.2. only use and disclose a financial consumer's or security provider's data for legitimate purposes agreed to it by the financial consumer or security provider or otherwise permitted by law.

4.5. Complaint handling mechanism

Financial services providers shall:

- 4.5.1. provide the financial consumers or security providers with easy access to a transparent, effective, prompt and free internal complaints process; and
- 4.5.2. make the financial consumers and security providers aware of any available External Dispute Resolution mechanisms including that provided by the National Bank and court of law.

5. Specific provisions

5.1. Fair treatment or business conduct requirements

5.1.1. Unfair contractual terms

- 5.1.1.1. A financial service provider shall be prohibited from including, or seeking to enforce against a financial consumer or security provider, any unfair term in a standard form contract.

- 5.1.1.2. A term of a standard form contract shall be unfair if it:

- a) imposes terms inconsistent with Article 1710(2) of the Civil Code, that is, having the consent of the injured party by taking advantage of his want, simplicity of mind, senility or manifest business inexperience;



- b) causes a significant imbalance in the rights and obligations between a financial consumer or security provider and a financial service provider;
- c) causes detriment to the financial consumer or security provider; and
- d) is different from the one that is stipulated to protect the financial service provider's legitimate interests.

5.1.1.3. For the purpose of testing unfair terms as per Article 5.1.1.2, unfair terms in a standard form contract or security contract, but not limited to, include:

- a) allowing the financial service provider to make changes to financial consumers' contracts or security providers' contract without describing the circumstances to the financial consumer in which such change may be made;
- b) allowing charging of fees or charges not previously disclosed or which are prohibited;
- c) restricting early repayment of a credit contract; and

5.1.1.4. A financial consumer contract or a security contract will be presumed to be a standard form contract unless the financial service provider proves otherwise.

5.1.2. Unfair fees and charges

Financial services providers shall not charge a financial consumer any fee:

5.1.2.1. that was not previously disclosed;

5.1.2.2. for any early repayment of a credit contract that exceed a reasonable administrative costs associated with the contract;

5.1.2.3. that exceeds their reasonable administrative costs to close an account;

5.1.2.4. that exceeds their reasonable enforcement expenses for the action taken;

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5.1.2.5. for recovering an amount payable by the former to a third party that exceed the amount actually owed to third party; and

5.1.2.6. that is prohibited under this directive or any other law.

5.1.3. Barriers to account mobility and account closure

Financial services providers shall have a duty:

5.1.3.1. to promptly process a financial consumers request to close their deposit account and provide them with appropriate assistance and information for doing so, including with canceling any recurring payments; and

5.1.3.2. not to debit the deposit account with new charges, following the account closure, and promptly pay the financial consumer any money due to them under the account.

5.1.4. Obligation to acquire insurance

5.1.4.1. A financial service provider shall not require a financial consumer or security provider to acquire, or pay for, insurance unless it is:

- a) an insurance that covers a property that is subject to a security;
- b) credit insurance; or
- c) an insurance that is required by law.

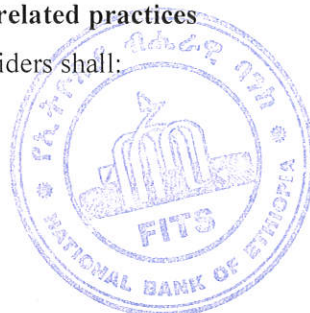
5.1.4.2. A financial service provider:

- a) shall be prohibited from requiring a financial consumer or security provider to take out an insurance policy with a particular insurer;
- b) shall be prohibited from imposing any unreasonable requirement regarding what insurance a financial consumer or security provider must take out; and
- c) shall disclose separately any requirement for insurance in advance, if not, such subsequent requirement shall not bind the financial consumer.

5.1.5. Unfair credit-related practices

Financial services providers shall:

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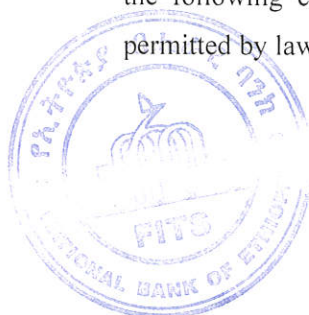


- 5.1.5.1. be prohibited from charging a financial consumer an interest in advance;
- 5.1.5.2. charge interest only based on an annual percentage applied to the unpaid balance of the loan;
- 5.1.5.3. charge a higher rate of default interest, as agreed at the time of contract, only on the amount of loan that is in default;
- 5.1.5.4. accept any partial early repayment of a loan and credit it to the loan balance as soon as reasonably practicable;
- 5.1.5.5. allow a financial consumer to repay outstanding loan at any time with permitted fees and charges disclosed at the time of concluding the contract;
- 5.1.5.6. provide a financial consumer on request with a statement that discloses details of the amount owed; and
- 5.1.5.7. be prohibited from enforcing a financial consumer contract or security unless they have given a notice of default allowing at least 30 days for credit contracts involving immovable collaterals, or at least 10 business days for credit contracts involving movable collaterals.

5.1.6. Debt collection

- 5.1.6.1. A financial service provider shall not harass, or engage in any other unfair or abusive conduct, towards a financial consumer, a security provider or any other person for the purpose of recovering any debt owed in connection with a financial product or service.
- 5.1.6.2. Notwithstanding sub-article 5.1.6.1 hereinabove, harassment and other unfair or abusive conduct prohibited by this Article includes the following conduct except to the extent required or expressly permitted by law:

for as



- a) communicating a financial consumer or security provider before and after the business hours of the financial service provider;
- b) unnecessary contact or communication with a person, going beyond what is reasonable in the circumstances;
- c) seeking payment of a debt from someone other than the financial consumer or security provider liable for the debt;
- d) disclosing the existence of a debt to a third party without the consent of the financial consumer;
- e) making any misrepresentation in connection with a debt, such as regarding its character, the amount owed, the financial service provider's legal rights or the potential legal consequences for any person if the debt is not paid;
- f) public shaming, such as public disclosure of a debtor's identity;
- g) attending at a person's place of employment to seek repayment;
- h) threatening to harm or harming any person;
- i) threatening to seize, or seizing, property which has not been provided as collateral; or
- j) threatening to damage, or damaging, property.

5.1.6.3. Notwithstanding sub-article 5.1.6.2 (d) hereinabove, a financial service provider may disclose the existence of a debt under a financial consumer contract or security contract to a debt collector acting on the financial service provider's behalf or to a third party to whom the financial service provider sells the debt, provided that the financial service provider takes all reasonable steps to ensure that the recipient of the information treats that information, and keeps it confidential and secure, consistently with this directive.

5.1.6.4. a financial service provider shall be liable to and responsible for the conduct of any party to whom the financial service provider has sold a debt owing under a financial consumer contract or security contract as if that conduct is undertaken by the financial service provider.

5.1.6.5. a financial service provider is required to have adequate controls and appropriate training in place to ensure that any third party acting on

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their behalf in relation to debt collection acts consistently with the requirements of this Directive.

5.1.7. Unauthorized and mistaken transactions

Financial service providers shall:

- 5.1.7.1.** effectively, before entering into service agreement, disclose to financial consumers;
 - a) the situations constituting fraud or unauthorized or mistaken transactions;
 - b) their obligations in such situations; and
 - c) limitations to liability for losses in such situations.
- 5.1.7.2.** be held legally liable for breaches in data security that results in losses for a consumer;
- 5.1.7.3.** disclose to financial consumers that they are being compensated fully for losses from unauthorized transactions, except in cases of consumer fraud or gross negligence;
- 5.1.7.4.** provide timely and necessary assistance to financial consumers to recover mistakenly transferred funds; and
- 5.1.7.5.** have clear procedures to deal with security breaches and supposedly unauthorized transactions, including mechanisms to reimburse or compensate the financial consumer for losses.

5.2. Transparency and disclosure requirements

5.2.1. Advertising and promotional materials

Financial services providers shall ensure that any advertising or other promotional materials about the financial products and services:

- 5.2.1.1.** shall be accurate, simple and clearly expressed;
- 5.2.1.2.** shall not be misleading or deceptive;

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- 5.2.1.3. if it includes a reference to any advantage or benefit of the financial product or service, it also includes appropriately balanced reference to the risks;
- 5.2.1.4. shall specify the name, license and registration number;
- 5.2.1.5. if it includes any reference to an interest rate of any type, discloses the rate as an annual percentage rate and not, for example, a rate for a shorter period; and
- 5.2.1.6. shall disclose other fees and costs ,if any.

5.2.2. Form and manner of disclosure

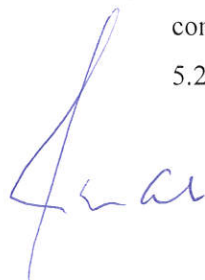
Financial service providers shall ensure that any information, contract or notice provided to a financial consumer or security provider in relation to financial products and services shall be:

- 5.2.2.1. easily legible;
- 5.2.2.2. simple and clearly expressed without use of technical language;
- 5.2.2.3. printed and displayed in a minimum font size of 12; and
- 5.2.2.4. available in Amharic, English and in regional working language where the financial consumer is located.

5.2.3. Publications, availability and display of product pricing, terms and conditions

5.2.3.1. A financial service provider shall publish, display and make available the standard terms and conditions including itemized fees and annual percentage rate, in relation to all of their financial products and services.

5.2.3.2. Financial services providers shall make available the terms and conditions of the products and services referred to in sub-article 5.2.3.1 above:



- a) in a prominent manner that allows the financial consumer or security provider to retrieve and keep it for future reference ;
- b) at any of their or their agents' premises attended by the financial consumers; and
- c) display a prominent notice at such premises regarding the availability of standard terms and conditions.

5.2.3.3. Financial services providers shall provide copies of the information referred to in Article 5.2.3.1 above to financial consumers on request.

5.2.3.4. The National Bank may, at its discretion, decide to publish information relating to financial service providers and financial products or services in any form or manner appropriate, for the purpose of facilitating the ability of financial consumers to understand and compare financial products or services.

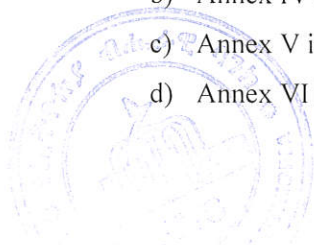
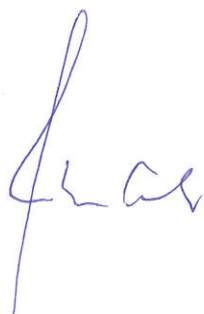
5.2.4. Key Fact Statements (KFS)

5.2.4.1. A financial service provider shall provide to a financial consumer a summary of up-to-date KFS, containing key generic information as per the prescribed format attached, Annex III to Annex VII, as the case may be, for any fixed term loan, accounts or insurance products and services that it offers:

- a) when a financial consumer requests or makes a general enquiry regarding such financial products and services;
- b) after a financial consumer communicates to the financial service provider specific parameters and circumstances relating to financial products and services it proposes to obtain; and
- c) at the time of signing of contract for the product and services.

5.2.4.2. For the purpose of Article 5.2.4.1, the contents or key generic information for KFSs shall be as per the prescribed formats of:

- a) Annex III in relation to fixed term credit products;
- b) Annex IV in relation to current and saving accounts;
- c) Annex V in relation to mobile wallet accounts;
- d) Annex VI in relation to time deposits ; and



e) Annex VII in relation to insurance policies.

5.2.4.3. Financial services providers shall ensure that the KFSs provided to a financial consumer or security provider in relation to financial products and services shall be:

- a) easily legible;
- b) simple and clearly expressed without use of technical language;
- c) printed and displayed in a minimum font size of 12; and
- d) available in Amharic, English and in regional working language where the financial consumer is located.

5.2.4.4. Financial services providers shall make available and display KFS:

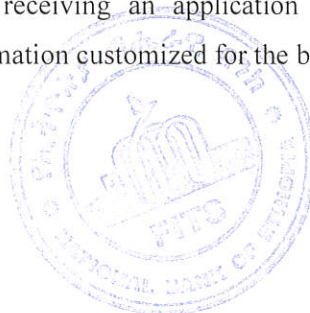
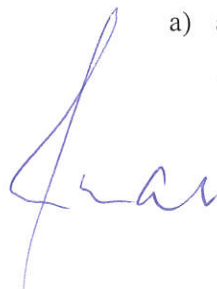
- a) in a prominent manner that allows the financial consumer or security provider to retrieve and keep it for future reference ;
- b) at any of their or their agents' premises attended by the financial consumers; and
- c) display a prominent notice at such premises regarding the availability of standard terms and conditions.

5.2.4.5. A financial service provider shall ensure that KFS for the final contract are updated and signed by the financial service provider; and as relevant, the financial consumer or any applicable third-party security provider and form an integral part of the contract.

5.2.4.6. A financial service provider shall ensure that it give the financial consumer adequate time between receipt of the KFS and the signing of the contract or opening of the account to review the KFS and obtain any verbal explanations regarding the financial product and service from the provider staff.

5.2.4.7. A financial service provider shall provide to a security provider proposing to give a security in relation to another financial consumer's fixed term loan a completed, up-to-date fixed term loan KFS:

- a) after receiving an application for the fixed term loan with information customized for the borrower's circumstances; and



- b) at the time of signing of a loan contract for the product signed by the financial service provider; and as relevant, the borrower or any applicable third-party security provider.

5.2.4.8. A financial service provider:

- a) shall not be required to provide a KFS to a financial consumer where the financial consumer has not provided sufficient information for the financial service provider to identify the relevant financial product and service ; and
- b) shall, however, provide to the financial consumer reasonable assistance to identify the relevant financial products and services.

5.2.4.9. Key Facts Statement (KFS) other than that specified in sub-article 5.2.4.2 of this Article and any amendments to the existing ones may be prescribed by circulars of the National Bank.

5.2.5. Contents of contractual document (terms and conditions)

Financial service providers shall clearly and prominently disclose the following information in the terms and conditions of the contract of any financial products and services offered to consumers:

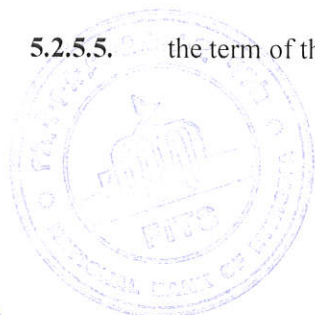
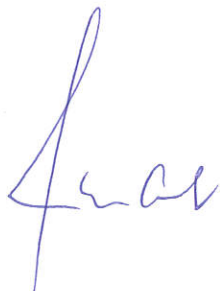
5.2.5.1. the financial service provider's details: name, regulated status, any applicable license or registration number issued to it by the National Bank and contact details;

5.2.5.2. the key features of the financial product or service, including the financial consumer's benefits and rights;

5.2.5.3. the key risks to the financial consumer associated with the financial product or service;

5.2.5.4. the key responsibilities of the financial consumer in connection with the financial product or service;

5.2.5.5. the term of the contract, if any;



- 5.2.5.6.** fees and charges:
- a) a description of all fees and charges;
 - b) the amount or basis of calculation of all fees and charges; and
 - c) the total amount of known fees and charges;
- 5.2.5.7.** details of any changes which may be made to any term of the financial consumer contract or any amount payable under the contract and how the financial consumer will be informed of a change;
- 5.2.5.8.** details of any commission payable, if any, in respect of the financial consumer contract, including the amount, and by and to whom the commission is payable;
- 5.2.5.9.** the circumstances in which the financial service provider will collect, use and disclose a financial consumer's data and how it will be kept secure and the availability of further information in this regard;
- 5.2.5.10.** the consumer consent for sharing credit information to Credit Reference Bureau and Movable Collateral Registry Office of the National Bank;
- 5.2.5.11.** information regarding how a financial consumer can make a complaint to the financial service provider;
- 5.2.5.12.** contact information for any applicable external dispute resolution service available to a financial consumer if they are not satisfied regarding how a financial service provider has dealt with a complaint;
- 5.2.5.13.** the date of the relevant document; and
- 5.2.5.14.** any additional information prescribed in this directive for specific aspects of financial products or services.

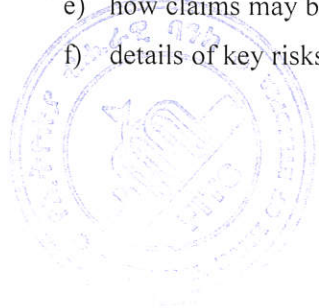


5.2.6. Additional content requirements – consumer credit contracts

The following additional information is prescribed in relation to consumer credit contracts for the purposes of sub-article 5.2.5.14 hereinabove:

- 5.2.6.1.** the amount of credit or any applicable credit limit;
- 5.2.6.2.** the nature and amount of any deduction from the proceeds of a loan before it is disbursed to a financial consumer;
- 5.2.6.3.** interest:
 - a) the current annual percentage rate(s) and how each applies;
 - b) the total amount of interest charges if known;
 - c) any applicable default rate of interest and when it will be applied; and
 - d) the effective interest rate for the consumer credit contract;
- 5.2.6.4.** repayments:
 - a) the amount of each repayment or the method of calculating the amount if the amount is not known;
 - b) date each repayment is due;
 - c) the number of repayments; and
 - d) the total amount of repayments, if known;
- 5.2.6.5.** the financial consumer's rights to prepay a consumer credit contract;
- 5.2.6.6.** details of any security which is to be provided;
- 5.2.6.7.** details of any insurance to be financed by the consumer credit contract including:
 - a) the name of the insurer;
 - b) the type of insurance;
 - c) the premium payable to the insurer and when it must be paid;
 - d) any commission payable in respect of the insurance;
 - e) how claims may be made under the insurance policy; and
 - f) details of key risks covered and key exclusions.

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5.2.6.8. if the loan was approved for a specific purpose, a description of that purpose;

5.2.6.9. enforcement expenses which may be charged following default.

5.2.7. Additional contractual disclosure requirements – deposit account or stored value product

The following additional information is prescribed for the purposes of sub-article 5.2.5.14 hereinabove in relation to any financial product or service that includes a deposit account or stored value facility:

5.2.7.1. interest (if any) including:

- a) the current annual percentage rate(s) and how each applies; and
- b) the total amount of interest , if known;

5.2.7.2. any minimum balance requirement;

5.2.7.3. any applicable cost for early termination of the financial product or service; and

5.2.7.4. withdrawal options.

5.2.8. Additional content requirements – payment or funds transfer product

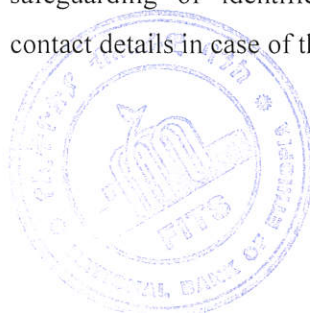
The following additional information shall be prescribed for the purposes of sub-article 5.2.5.14 hereinabove in relation to financial product or service that includes a payment or funds transfer facility:

5.2.8.1. any limits and restrictions on transactions and product operation, such as limits on the value or number of transactions, geographical restrictions or instrument expiration dates;

5.2.8.2. the procedures that will apply in the event of unauthorized transactions or transaction errors, including contact details and each party's responsibility and liability for losses; and

5.2.8.3. a financial consumer's responsibilities regarding prudent use and safeguarding of identifiers and payment instruments, including contact details in case of their loss or compromise.

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5.2.9. Additional content requirements – insurance policy

5.2.9.1. The following additional information is prescribed for the purposes of sub-article 5.2.5.14 hereinabove in relation to any insurance policy:

- a) the type of insurance;
- b) insured risks;
- c) insurance premiums and other fees
- d) key exclusions;
- e) the amount of cover;
- f) the applicable period of cover;
- g) the name and contact details of any insured person;
- h) a description of any insured property; and
- i) claims handling procedures.

5.2.10. Signing and provision of final contract

A financial service provider shall be prohibited from entering into, or seeking to enforce against a financial consumer or security provider, any financial consumer contract or security contract unless:

5.2.10.1. the contract shall be in writing and is signed by the financial consumer or security provider or the contract in clearly specified and verifiable electronic way acceptable by the financial consumer accessing the credit;

5.2.10.2. the proposed contract was provided to the financial consumer or security provider, a reasonable time before the contract was made, so as to give an opportunity to review it before becoming bound.

5.2.10.3. a financial service provider shall provide a copy of the final financial consumer contract or security contract for the financial consumer or security provider immediately or as soon as practicable after the financial consumer or security provider becomes bound by the contract. and

5.2.10.4. expressly stated otherwise, the financial service provider shall furnish the final contract document to the financial consumer or



security provider free of charge and it may be provided in any of the following ways:

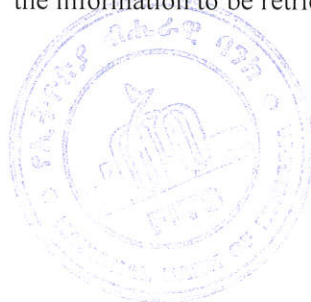
- a) by giving it personally to the financial consumer or to the security provider or their agents;
- b) by sending it by post to the financial consumer's or security provider's last known or nominated address; or
- c) by sending it electronically to the financial consumer or to the security provider or their agents.

5.2.11. Periodic statement

Financial services providers shall

- 5.2.11.1.** furnish, upon request, statement of account free of charge at least once in a month and any time when the account is closed to the financial consumer for any financial products or services;
- 5.2.11.2.** furnish a periodic statement of account, upon request by charging a reasonable fee if the request is different from what is stated under sub-article 5.2.11.1 of this Article ;
- 5.2.11.3.** ensure that periodic statements, depending on the type of financial product, include information such as statement period; opening and closing balances; details of each debit and credit transaction etc;
- 5.2.11.4.** allow financial consumers to select the method in which they would like to receive the statement e.g. in writing or electronically;
- 5.2.11.5.** depending on the circumstance, periodic statements may be provided by financial service providers to financial consumers, or security providers or their agents in person, by post or via electronic means; and
- 5.2.11.6.** a financial service provider may comply sub-article 5.2.11.3 hereinabove in relation to a mobile wallet account by making available to a financial consumer an electronic facility that allows the financial consumer to access the information in a form that allows the information to be retrieved and kept for future reference.

For



5.2.12. Notification of changes

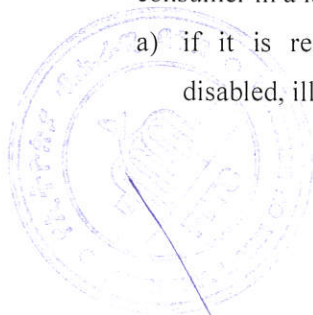
- 5.2.12.1.** Financial services providers shall not make a change to a financial consumer's contract which increases the financial consumer's obligations, or adversely reduces the financial services providers obligations to a financial consumer, unless it has given the financial consumer prior notice of the change and secure the consent;
- a) in the case of a change to a variable annual percentage rate, at least 5 consecutive days' notice of the details of the change; and
 - b) in any other case, at least 30 consecutive days' notice of the details of the change.
- 5.2.12.2.** the consumer shall be aware of the existence of such requirements before entering into the contract agreement and shall be included in the contract agreement.
- 5.2.12.3.** any contractual terms allowing the financial services providers to make changes to a consumer's contract without describing the circumstances in which such changes shall be made or requiring sufficient notice would be null and void.

5.2.13. Payment receipts

- 5.2.13.1.** Financial services providers shall provide a receipt for any payment in respect of a financial product as soon as reasonably practicable after the payment is received.
- 5.2.13.2.** A receipt for any payment shall at least contain minimum contents, depending on the type of the product such as the transaction number, date, amount paid, information to identify the product or account, contact details for queries or complaints etc.

5.2.14. Verbal explanations

- 5.2.14.1.** The financial services providers shall explain the features, risks, terms and cost of the financial products or services to a financial consumer in a language he/she can understand:
- a) if it is reasonably apparent that the financial consumer is disabled, illiterate or cannot understand the financial product; or



b) upon request.

5.2.14.2. The financial services providers shall give such an explanation a reasonable time before the consumer may acquire the product and keep a written record of the explanation.

5.3. Product suitability and responsible lending requirements

5.3.1. A financial service provider shall have in place, and follow, documented policies and procedures to ensure products are designed, marketed and distributed to the target market having appropriate regard to the likely financial objectives, needs, capacity and behaviors of financial consumers in the target market with a view to minimizing the risk of harm to those financial consumers;

5.3.2. The policies and procedures referred to in sub-article 5.3.1 of this Article shall specify, at a minimum:

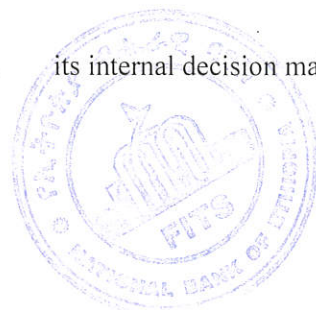
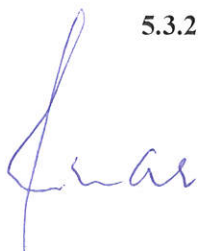
5.3.2.1. the steps that the financial service provider will take to define the type(s) of financial consumers for whom a new (or modified) financial product or service is intended;

5.3.2.2. the steps that the financial service provider will take to identify and address potential risks of harm to those financial consumers and their security providers, including relating to product or service features, marketing, distribution, security and usage;

5.3.2.3. the financial service provider's internal process for authorization and introduction of new financial products or services (or product modifications) for financial consumers;

5.3.2.4. the steps the financial service provider will take to monitor whether its financial products and services are causing harm to financial consumers and their security providers and take corrective action in relation to their design, marketing or distribution if such harm is identified; and

5.3.2.5. its internal decision makers for these purposes.



- 5.3.3.** Financial services providers shall put in place, and apply, written policies and procedures to determine whether a financial product provided to a specific financial consumer is reasonably likely to meet their financial objectives, needs and capacity.
- 5.3.4.** The written policies and procedures referred to in sub-article 5.3.3 of this Article shall specify, at a minimum, in relation to each kind of financial product or service offered by the financial service provider, the steps they will take to consider a financial consumer's financial objectives, needs and capacity before providing them with a financial product or service.
- 5.3.5.** Financial services providers, before providing credit to a financial consumer, including an increase in existing loan or a credit limit, shall undertake a reasonable assessment of the ability of the consumer to repay the credit without substantial hardship.
- 5.3.6.** In some instances, however, given the simplicity and low-risk nature of a product and unless specifically requested by the financial consumer or it is reasonably obvious that the consumer is illiterate or cannot understand the financial product, some basic products would be expressly exempt from requirements of sub-article 5.3.1 to sub-article 5.3.5 hereinabove. Such products may include:
- 5.3.6.1.** mobile wallets;
 - 5.3.6.2.** basic "on demand" savings accounts with simple, easy to understand features; and
 - 5.3.6.3.** the inclusion-focused micro insurance products.
- 5.3.7.** Financial services providers shall take reasonable steps to verify the information on which they rely to assess the financial consumer's creditworthiness.
- 5.3.8.** Every financial services provider shall be prohibited from sending unsolicited, pre-approved offers of credit or credit limit increase to financial consumers.

Final



5.4. Data protection requirements

Financial Services Providers shall:

- 5.4.1. put in place, and apply, policies and procedures to ensure the confidentiality and security of financial consumers' data and to do so consistently with this Directive and other applicable requirements;
- 5.4.2. inform and make available to financial consumers and security providers regarding their policies:
 - 5.4.2.1. for protection of data;
 - 5.4.2.2. for collection, use and disclosure of data;
 - 5.4.2.3. on the kinds of data that it collects; and
 - 5.4.2.4. on the third parties to whom it may disclose such data.
- 5.4.3. provide copies of the privacy policy referred to in sub-article 5.4.2 of this Article to the financial consumers and security providers on request; and
- 5.4.4. make the privacy policy referred to in sub-article 5.4.2 hereinabove available prominently on the financial service provider's website.

5.4.5. protection of data

A financial service provider shall implement appropriate organizational, physical and technical measures to ensure that data is protected against misuse, unauthorized disclosure, accidental loss, destruction or damage.

5.4.6. Collection of data

A financial service provider shall collect a financial consumer's or security provider's data only:

- 5.4.6.1. using lawful and fair means; and
- 5.4.6.2. for legitimate purposes necessary for the financial service provider's activities.



5.4.7. Use of data

A financial service provider shall only use and disclose financial consumers and security providers data consistently with the original purpose of collection or with the explicit and informed consent of the financial consumer or otherwise required or permitted by this Directive or other laws;

5.4.8. Treatment of data by third parties

Financial service providers shall take reasonable steps to ensure that any third party to whom they disclose data (regardless of whether the third party acts on the financial service provider's behalf) keeps it confidential and secure and treats it consistently with this directive.

5.4.9. Access to data

5.4.9.1. Financial service providers, on request from financial consumers or security providers, shall give them the right to access their data, with a reasonable time and no cost to the financial consumer or security provider.

5.4.9.2. A financial service provider is not required to comply with a request referred to in sub-article 5.4.9.1 of this Article to the extent that:

- a) doing so is otherwise prohibited by law;
- b) the financial consumer or security provider's request is legitimately excessive; or
- c) the legitimate costs of doing so would be prohibitively high.

5.4.10. Correction of data

If financial consumers or security providers claim that any data about them held by a financial service provider is inaccurate or incomplete, a financial service provider shall:

5.4.10.1. take reasonable steps to review the claim within a reasonable time;

5.4.10.2. if the data is demonstrated to be inaccurate or incomplete:

- a) correct it within a reasonable time; and
- b) take reasonable steps to advise any third party that has access to inaccurate or incomplete data about the correction.



5.4.10.3. if, following its review, the financial service provider does not agree that the data is inaccurate:

- a) record the disagreement with the data; and
- b) take reasonable steps to advise any third party that has access to inaccurate or incomplete data about the disagreement.

5.4.10.4. consider and, where appropriate, action a financial consumer's request to correct their data.

5.4.11. Relevant provisions of “Establishment and Operation of Credit Reference Bureau Directive No. CRB/02/2019”

The provisions of Directive Number CRB/02/2019 or any amendment thereto, which have a bearing on financial consumer protection shall apply to the extent possible.

5.5. Complaint handling requirements

5.5.1. Policies and Procedures

Financial services providers shall put in place, and apply, policies and procedures for a fair, accessible, transparent, free and efficient internal complaints handling;

5.5.2. Arrangements

Financial services providers shall:

5.5.2.1. establish Internal Complaint Handling Unit at the Head Office to which financial consumers and security providers may refer a complaint to;

5.5.2.2. The location of the Complaint Handling Office, full address, and contact person and other related and relevant information shall clearly be communicated to the financial consumer at the time of concluding a contract;

5.5.2.3. ensure that a complainant can make a complaint, in any language as referred to in sub-article 5.2.2.4 hereinabove and allow financial consumers to make complaints through a variety of communications channels such as telephone, electronic message, fax message, postal

fka

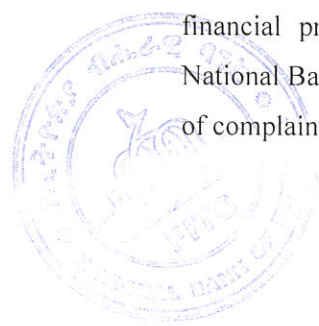


services and in person and actively inform consumers about their ability to do so;

- 5.5.2.4. respond to the complainant in the same medium of communication used for the complaint or any form most appropriate;
- 5.5.2.5. appropriately resource their internal complaints handling process and train relevant staff;
- 5.5.2.6. as far as feasible, ensure that complaints handling staff are independent from staff and functions subject to complaints; and
- 5.5.2.7. ensure that their staff and, if applicable, agents provide a complainant with reasonable assistance to submit a complaint, including, without limitation:
 - a) if it is reasonably apparent that a complainant is illiterate ;or
 - b) if the complainant is subject to a relevant disability or cannot understand the process.

5.5.3. Process and time line

- 5.5.3.1. A financial consumer may submit complaints to the financial service provider in relation to the financial products and services acquired from it.
- 5.5.3.2. A financial service provider shall:
 - a) acknowledge receipt of the complaint promptly;
 - b) give each complaint it receives a unique tracking number and advise the complainant of that number when they receive the complaint;
 - c) investigate the complaint as soon as possible and advise the complainant of the outcome of the complaint within a maximum of 10 business days of receiving it. If, however, lower number of days for investigation of complaints by financial service provider has been prescribed in relation to specific types of financial products and services, by another directive of the National Bank, such prescriptions shall apply in the investigation of complaints in relation to such financial products and services.



5.5.3.3. ensure each complaints is addressed in an equitable, objective and timely manner.

5.5.3.4. provide the complainant with written confirmation of the outcome of the complaint, including:

- a) any proposed resolution or settlement;
- b) any reasons for rejecting the complaint;
- c) any reasons for not having completed investigation of the complaint within a period of time specified in sub-article 5.5.3.2 (c) hereinabove; and
- d) contact information for any applicable dispute resolution service available to the complaint if the complainant is not satisfied regarding how the financial service provider has dealt with their complaint.

5.5.4. Reporting unresolved cases to the National Bank and filing of complaint

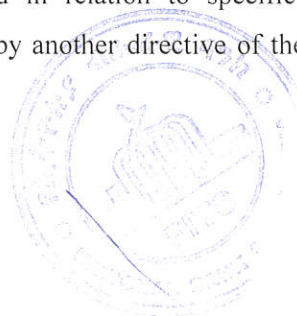
5.5.4.1. A financial consumer may submit the complaint to the National Bank, if he/it:

- a) is not satisfied with the decisions given by the concerned financial service provider ;or
- b) has not received response from the concerned financial service provider in line with sub-article 5.5.3.2(c) and sub-article 5.5.3.4 hereinabove.

5.5.4.2. In cases where the financial service provider is unable to resolve the complaint through internal complaint handling processes within a period of time as specified under sub-article 5.5.3.2 (c) of this Article, the case shall be reported to the National Bank within two business days as per the template attached in Annex II;

5.5.4.3. Up on receipt of a case as per sub-article 5.5.4.1 and 5.5.4.2 hereinabove the National Bank shall investigate the case within 10 business days. If, however, lower number of days for investigation of complaints has been prescribed in relation to specific types of financial products and services by another directive of the National

Handwritten signature in blue ink.



Bank, such prescriptions shall apply in the investigation of complaints in relation to such financial products and services; and

5.5.4.4. As a resolution to complaints the decision passed by the National Bank shall be binding on the financial services provider but optional to the financial consumer;

5.5.5. Complaints database

A financial service provider shall:

5.5.5.1. ensure that at least monthly reports are provided to their board on the volume and nature of complaints received, the extent to which they have been resolved and the related root causes and systemic issues that they identify;

5.5.5.2. be responsible to keep up to date records of complaints and provide monthly reports about the complaints to the National Bank as per the template attached in Annex I;

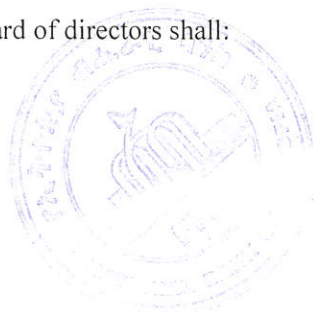
5.5.5.3. ensure records of complaints referred in sub-article 5.5.5.2 hereinabove include at least:

- a) the date a complaint is lodged;
- b) the name and contact details of the complainant;
- c) the name and contact details of relevant staff members handling the complaint;
- d) details of the outcome of the complaint, including any settlement provided to a complainant and any reasons given if a complaint is not resolved in the complainant's favor; and
- e) any other information necessary in order for the financial service provider to be able to meet any reporting requirements imposed by the National Bank.

6. Good governance, compliance and risk management

6.1. Board of directors

The board of directors shall:



- 6.1.1. approve appropriately detailed policies and procedures, and submit to the National Bank , that ensure effective implementation and compliance of this directive within three months from the issuance of this directive;
- 6.1.2. ensure that the Internal Complaint Handling Unit shall have reasonably adequate resources such as office, human resources, office equipment such as telephone, personal computer, fax, etc.. to enable it discharge the responsibility bestowed to the financial service provider in this directive;
- 6.1.3. ensure that the goals of financial consumer protection should be clearly articulated in the terms of reference for the board and management committees;
- 6.1.4. monitor compliance with this directive and internal policies, and procedures referred to in sub-article 6.1.1 hereinabove and receives regular reports from senior management for the purpose;
- 6.1.5. ensure that the financial service provider shall report periodically, or as may be required , on the execution status of this directive, to the National Bank; and
- 6.1.6. for the purpose of this directive, be liable and responsible for the conduct of its staff, agents and any other persons acting on the financial service provider's behalf in relation to financial products and services.

6.2. Senior management

Senior management of the financial service provider shall be responsible for:

- 6.2.1. effective implementation of this directive;
- 6.2.2. setting out detailed policies and procedures for ongoing compliance with this directive;
- 6.2.3. identifying the products and services that carry the greatest risk for the non-compliance and execution of this directive;
- 6.2.4. providing solutions to issues that affect financial consumers; and

for as



6.2.5. overseeing any agents and/or third parties by or through which the financial service provider provides financial consumers with financial products and services.

6.3. Professional competence

Financial service providers shall:

6.3.1. adequately train their employees, agents and third parties on the provisions of this directive, customer handling, their internal policies and procedures;

6.3.2. ensure that the sales staff and agents are competent and adequately trained to fulfill the requirements of this directive;

6.3.3. ensure that the remuneration they pay to their sales staff and agents doesn't incentivize them to act inconsistently with this directive;

6.3.4. adequately supervise their agents to ensure that they comply with the provisions of this directive; and

6.3.5. in cases where financial products and services are outsourced to a third party, shall ensure that the third party complies, as far as applicable, with the provisions of this directive.

6.4. Reporting to the National Bank

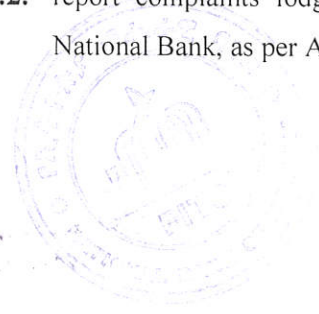
A financial Service provider shall:

6.4.1. provide any information the National Bank requires in relation to financial products or services and any related activities:

6.4.1.1. at any time, including any intervals, specified by the National Bank; and

6.4.1.2. in the form, in any manner, and containing any information, specified by the National Bank.

6.4.2. report complaints lodged, resolved and referred, monthly or as required to National Bank, as per Annex I;



6.4.3. report any complaint not resolved to the National Bank within two business days as per the Template for Complaints not Resolved (Annex II);

6.4.4. submit a copy of standard terms and conditions and detailed fees and charges, KFS, and any other document (record) relating to the provision of financial products and services ,annually, and whenever a change to such information is made.

7. Record Keeping

7.1. Financial services providers shall retain copies of concluded contract documents, KFSs, and other records relating to their provision of financial products or services for 10 years or as may be required by relevant laws, from when that version ceased to be used or after the business relationship has ended.

7.2. The documents specified in sub-article 7.1 of this Article shall be available for inspection when required by the National Bank.

8. Other applicable directives

Any provisions of the Directive issued by the National Bank that have bearings to the protection of financial consumers, as far as they are consistent with the provisions of this directive, shall be enforceable.

9. Transitory arrangement

This directive shall be effective and in full force six months from the issue date.


10. Penalty for non-compliance

10.1. Financial institutions that fail to comply with the provisions of this Directive shall be subject to a penalty of Birr10,000 (ten Thousand Birr) for each violation.

10.2. The National Bank may, in addition to the penalty indicated under 10.1 herein above, take any other measures it considers necessary.

11. Issue date

This directive shall enter into force as of the 25th day of August 2020.


Yinager Dessie (PhD)
Governor



ANNEX I:

**COMPLAINT HANDLING REPORT
FINANCIAL SERVICE PROVIDER
FOR THE MONTH OF _____**

No.	Date the Complaint was lodged	Complaint Identification No.	Complainant			Issues raised	Status ¹	No of days the issue takes ²	Name of staff handling the complaint
			Name	Mobile	Email				

Name of the Officer	
Date	
Signature	

¹ Status refers to complaint cases either "Resolved" or "On track" or "Referred to the National Bank or Alternative Dispute Resolution (ADR)" or taken to "Court" as the case may be.

² Refers to the number of days the complaint takes internally either to resolve or refer the case to ADR mechanisms.

ANNEX II:

TEMPLATE FOR COMPLAINT NOT RESOLVED

_____ **FINANCIAL SERVICE PROVIDER**

FOR THE MONTH OF _____

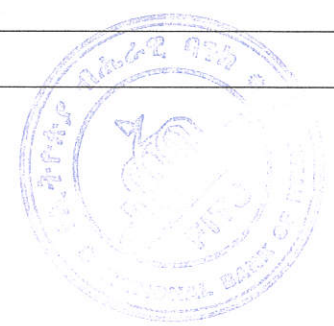
1. Date the complaint lodged _____
2. Name of the complainant _____
3. Complaint identification No. _____
4. Name of employee handling the complaint _____
5. Details of the Complaint _____

6. Number of days the issue takes _____
7. Reasons for not resolving the complaint _____

8. Any comment _____

Name of the Officer	
Date	
Signature	

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ANNEX III

KEY FACTS STATEMENT FOR FIXED TERM LOAN

KEY FACTS STATEMENT FOR FIXED TERM LOAN

Carefully review this document if you are considering a fixed term loan.

You can use this document to compare loans from different providers.

Loan provider: [Name of FSP] Product: [Name of loan product] Date: [Date prepared]

KEY FEATURES OF THE LOAN

LOAN SUMMARY		COST OF LOAN	
1. Amount of Your Loan <i>Amount you are borrowing</i> Birr _____		5. Total Interest <i>Total interest you will be charged on the loan</i> Birr _____ Interest per year _____%	
2. Amount You Will Receive <i>Amount you will receive after upfront fees and charges are deducted</i> Birr _____		6. Total Fees and Charges <i>See below for a list of fees and charges</i> Birr _____ ⁱ	
3. Loan Term <i>Period of time you have to repay your loan</i> _____		7. Annual Percent Cost of Your Loan <i>Annual cost of your loan as a percentage, including interest, fees and charges</i> _____% per year ⁱⁱ	
4. Repayment Amount and Frequency <i>Amount you repay at regular intervals</i> Birr _____ per [time period]		8. Total Cost of Your Loan <i>All costs for the loan (including total interest and fees and charges)</i> Birr _____ ⁱⁱⁱ	

1. Amount of Your Loan
Amount you are borrowing
 Birr _____

+

2. Total Cost of Your Loan
All costs for the loan (including total interest and total fees and charges)
 Birr _____

=

3. TOTAL AMOUNT YOU WILL PAY
Total amount you pay after making all repayments
 Birr _____

Handwritten signature



RISKS TO YOU

** The details in this document are accurate as of today. The final terms of your loan may be different if you borrow at a later date. **

** If you have a variable interest rate, this means your repayment amount and the total amount you have to repay may change during your loan term. **

** Late or missing payments may result in late payment charges or loss of your collateral, and may be reported on your credit record, which can harm your ability to borrow in the future. **

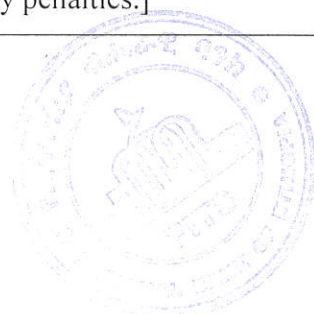
** You are required to comply with all conditions in your loan contract, including regarding use of the loan proceeds. Non-compliance may be a breach of your contract. **

for



IMPORTANT TERMS AND CONDITIONS TO CONSIDER ^{iv}					
LATE PAYMENT CHARGES		OTHER TERMS AND CONDITIONS			
<input type="checkbox"/> Late fees if payment is more than [] days late:	Birr _____	<input type="checkbox"/> Collateral: <i>You are committing the following property as collateral:</i>	_____	<input type="checkbox"/> Variable interest rate applies	
<input type="checkbox"/> Default interest if payment is more than [] days late	_____ % per year on the amount overdue	<input type="checkbox"/> Bundled products: <i>You are required to purchase the following in order to receive your loan:</i>	_____	<input type="checkbox"/> Cash deposit account /mandatory savings:	_____
		<input type="checkbox"/> Other terms and conditions: ^v	_____		
LIST OF UPFRONT FEES AND CHARGES					
UPFRONT FEES AND CHARGES ^{vi}				RECURRING FEES AND CHARGES ^{vii}	
<input type="checkbox"/> Application fee	Birr _____	<input type="checkbox"/> Collateral fee	Birr _____	<input type="checkbox"/> Maintenance / service fee	Birr _____ per _____
<input type="checkbox"/> Credit history check	Birr _____	<input type="checkbox"/> Stamp duty	Birr _____	<input type="checkbox"/> Credit life insurance	Birr _____ per _____
<input type="checkbox"/> Credit life insurance	Birr _____	<input type="checkbox"/> [All other upfront fees and charges]	Birr _____ Birr _____	<input type="checkbox"/> Collateral insurance	Birr _____ per _____
				<input type="checkbox"/> [All other recurring fees and charges]	Birr _____ per _____
TOTAL UPFRONT AND RECURRING FEES AND CHARGES OVER YOUR LOAN TERM (EXCLUDING INTEREST)					Birr _____
YOUR RIGHTS AS A CUSTOMER					
<p>➤ You have the right to get a copy of the full loan contract before you get your loan.</p> <p>➤ Do you have any questions or complaints? Call [TELEPHONE], email [EMAIL ADDRESS], write to [MAILING ADDRESS], or visit [WEBSITE] to contact us regarding your question or complaint.</p> <p>➤ If you are unsatisfied with how your complaint is handled: You can contact the National Bank of Ethiopia (Indicate email , phone and specific location)</p> <p>➤ [Want to pay off your loan early? You can do so without any penalties.]^{viii}</p>					

Final



CERTIFIED CORRECT:	I ACKNOWLEDGE RECEIPT OF THIS STATEMENT PRIOR TO SIGNING THE LOAN CONTRACT: ^{ix}	I ACKNOWLEDGE RECEIPT OF THIS STATEMENT PRIOR TO SIGNING THE GUARANTEE: ^x
<i>Loan provider's representative</i> Name: Date:	<i>Borrower</i> Name: Date: Application number:	<i>Guarantor</i> Name: Date:

Additional instructions:

ⁱ **Total Fees and Charges:** This amount must be the same as the "Total Upfront and Recurring Fees and Charges Over Your Loan Term" amount above. It should include all known upfront fees and charges and all known fees and charges that will recur throughout the term of the loan, including fees and charges for mandatory, bundled third-party services (where the amount is known).

ⁱⁱ **Annual Percent Cost of Your Loan:** Calculate the annual percentage rate calculated in accordance with the formula and assumptions.

ⁱⁱⁱ **Total Cost of Your Loan:** Calculate this amount consistently with the assumption.

^{iv} **Important terms and conditions to consider:** Include key terms and conditions, particularly those that pose risks to consumers, including mandatory bundled products, late payment penalties, variable interest rates, collateral requirements and charges resulting from early repayment of the loan (to the extent these are permitted – note that such a charge will be permitted only to the extent it reflects loss arising from a difference between a fixed annual percentage rate payable under the contract and the current market rate for fixed term loans of that type. It is not permitted in relation to variable rates).

^v **Other important terms:** Describe any other key terms of the credit product, particularly those which are not obvious from the name of the product.

^{vi} **Upfront fees and charges:** List, on an itemized basis, all known upfront fees and charges, including fees and charges for mandatory, bundled third-party services. Some possible examples have been included. Omit any of these examples that are not applicable and list any other upfront fees and charges not already specified.

^{vii} **Recurring fees and charges:** List, on an itemized basis, all known fees and charges that will recur throughout the term of the loan and the period of recurrence, including fees and charges for mandatory, bundled third-party services. Some key examples have been included. Omit any of these examples that are not applicable and list any other recurring fees and charges not already specified.

^{viii} Include only if applicable.

^{ix} **Consumer signature:** Include only in Key Facts Statement that is required to be provided before the consumer enters into a fixed term credit contract.

^x **Guarantor signature:** Include only in Key Facts Statement that is required to be provided to guarantor before the consumer enters into a fixed term credit contract.

for all



ANNEX IV

KEY FACTS STATEMENT FOR CURRENT AND SAVINGS ACCOUNTS

KEY FACTS STATEMENT FOR CURRENT OR SAVINGS ACCOUNT

Carefully review this document if considering a current or savings account.

Use it to compare products from different providers.

Account provider: [Name of institution] Product name: [Name of account product] Date: [Date prepared]

WARNING: The information is current at the above date. Services, fees and interest rates may change.

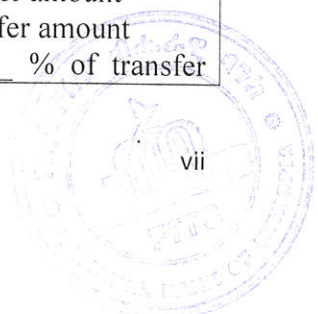
ACCOUNT FEATURES

Minimum balance	To open an account: __ Birr / None To keep the account: __ Birr / None
Transaction limits	None / This account is subject to the following transaction limits: __ ⁱ
Overdraft (for current accounts only)	<input type="checkbox"/> Available <input type="checkbox"/> Not available Overdraft limit: __ Birr Overdraft interest rate: __ % per year Overdraft application fee: __ Birr On-going overdraft service fee: __ Birr per __ [specify frequency e.g. monthly] Other overdraft fees: [specify each fee and amount]
Passbook	<input type="checkbox"/> Available <input type="checkbox"/> Not available
Additional product information ⁱⁱ	

FEESⁱⁱⁱ

Opening the account	No fee / __ Birr	
Maintaining the account	No fee / __ Birr per __ [specify frequency e.g. monthly] / __ % of your account balance	
Debit card / ATM card <input type="checkbox"/> Available <input type="checkbox"/> Not available	First debit / ATM card: No fee / __ Birr Replacement debit / ATM card: No fee / __ Birr	
Cheque facility <input type="checkbox"/> Available <input type="checkbox"/> Not available	Cheque book	No fee / __ Birr per cheque
	Cheque dishonour fee	No fee / __ Birr
	Stop cheque fee	No fee / __ Birr
	Special clearance fee	No fee / __ Birr
Cash withdrawals <input type="checkbox"/> Available <input type="checkbox"/> Not available	Branch withdrawal:	No fee / __ Birr / __ % of withdrawal
	Using our ATMs:	No fee / __ Birr / __ % of withdrawal
	Using another institution's ATM:	No fee / __ Birr / __ % of withdrawal
Sending funds <input type="checkbox"/> Available <input type="checkbox"/> Not available	Via a branch:	No fee / __ Birr / __ % of transfer amount
	Via our ATM:	No fee / __ Birr / __ % of transfer amount
	Via another's ATM:	No fee / __ Birr / __ % of transfer

Handwritten signature



	amount Via mobile banking: No fee / ___ Birr / ___ % of amount
Payments for goods and services <input type="checkbox"/> Available <input type="checkbox"/> Not available	Payment via mobile banking: No fee / ___ Birr / ___ % of amount Payment at point of sale (POS) using ATM/debit card: No fee / ___ Birr / ___ % of amount
Standing order <input type="checkbox"/> Available <input type="checkbox"/> Not available	No fee / ___ Birr / ___ % of order amount
Duplicate statement of account <input type="checkbox"/> Available <input type="checkbox"/> Not available	No fee / ___ Birr
Balance inquiry <input type="checkbox"/> Available <input type="checkbox"/> Not available	Via a branch: No fee / ___ Birr Via our ATMs: No fee / ___ Birr Via another institution's ATMs: No fee / ___ Birr Via mobile banking: No fee / ___ Birr
Account closure	___ Birr
Other fees	WARNING: Fees other than those listed above may apply to your account. Itemized information about all fees is available in a printed form or on our website at ... [<i>specify link to website page</i>] and is accessible from all our branches, agents and other premises attended by customers.

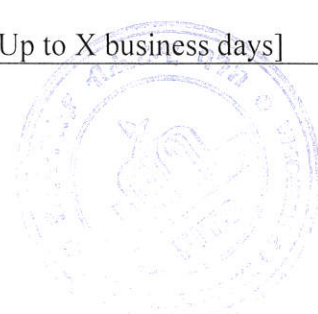
INTEREST ON ACCOUNT BALANCES

Interest paid on account balances?	YES / NO ^{iv}
Interest rate	___ % per annum fixed / variable ^v
Calculation and payment of interest	Interest is calculated on the balance in your account [<i>specify relevant date / time period e.g. daily / at the end of the last business day of the month / calendar year</i>] and is credited to your account ___ [<i>specify when the crediting will take place e.g. on the next business day</i>]
Example	Based on the current interest rate, this means for every 1,000 Birr you deposit for 12 months you would receive ___ Birr in interest

HOW LONG DO FUNDS TRANSFERS TAKE?^{vi}

Sending funds	Domestic transfers Transfers to another account: [Immediately] [Up to X business days] International transfers Transfers to another account: [Immediately] [Up to X business days]
Receiving funds	Domestic transfers Transfers from another account: [Immediately] [Up to X business days] International transfers Transfers from another account: [Immediately] [Up to X business days]

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Other things you should know

- **Requirements when opening this account:** To open the account you will need to satisfy some identification requirements. These can include providing documents and information to verify your identity. Please ask the account provider for more details.
- **What happens if you do not use this account for a long period?** If you do not make any transaction for __ months, your account will be treated as [inactive / dormant] and __^{vii}.
- **Closing this account:** To close your account, you should contact __^{viii}.

Where can you get assistance or complain?

- **Do you have any questions or complaints?** Call [TELEPHONE], email [EMAIL ADDRESS], write to [MAILING ADDRESS], or visit [WEBSITE] to contact us regarding your question or complaint:^{ix}
- **If you are unsatisfied with how a complaint is handled:** You can contact the National Bank of Ethiopia (Indicate email , phone and specific location)

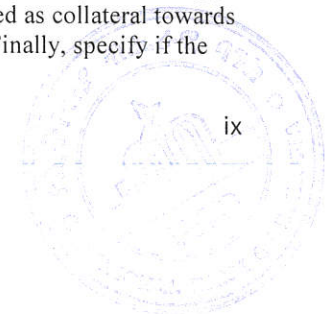
CERTIFIED CORRECT:	I ACKNOWLEDGE RECEIPT OF THIS STATEMENT PRIOR TO SIGNING THE ACCOUNT CONTRACT ^x
<i>Account provider's representative</i> Name: Date:	<i>Customer</i> Name: Date: Application number:

Additional instructions:

ⁱ **Transaction limits:** Describe any transaction limits including for individual transactions e.g. any daily / monthly limit on withdrawals or payments and any international transaction limits. Each category of limit should be specified. Note when withdrawals may not be available (or limited) for an account (e.g., if applicable, a compulsory savings account long term savings account with restrictions or a special purpose savings account).

ⁱⁱ **Other information:** Describe any other key features of the account, particularly those which are not obvious from the name of the product – e.g., for savings accounts there may be a need to describe products such as long term savings accounts, compulsory savings accounts, insurance savings accounts, matching fund deposits ('box saving') and provident fund savings products as well as savings accounts where the balance can be used as collateral towards a loan. If the account may be maintained in a foreign currency this should also be specified. Finally, specify if the

Final



account may be linked with another account (such as a cheque account linked with a savings account so that the linked account balance can be used to cover a cheque if there are insufficient funds in the cheque account).

ⁱⁱⁱ **General fees:** If a fee varies depending on the circumstances, such as based on account usage or balance, then the circumstances in which this is the case need to be made clear - e.g. if there are a number of free transactions (such as for deposits, withdrawals or transfers) in a month, if a transaction fee may be reduced, waived or refunded depending on the balance in an account, if a fee varies depending on the amount or if a fee varies depending on whether the transaction takes place at an agent or a branch or via an ATM (including an ATM of another provider).

^{iv} **Interest paid on account balances:** Delete whichever does not apply. If "YES" then the details that follow must be completed. If "NO", the rows that follow should be deleted.

^v **Interest rate:** Specify current interest rate(s) (including if any are fixed for any period), and any applicable scale e.g. based on the balance.

^{vi} **Transfers:** Specify if the time will vary depending on whether the transfers are to or from an account with the same account provider or to or from an account with another provider; or if the time will vary depending on whether the transfer is a domestic or international transfer.

^{vii} **Inactive account:** Specify consequences of having an inactive account e.g. whether the account will be closed after a specified period and any fee that may be payable.

^{viii} **Contact for account closure:** Specify contact details.

^{ix} **Contact information:** Specify all channels which can be used by the consumer and contact details - e.g. phone, email, branch offices, social media.

^x **Consumer signature:** Include only in Key Facts Statement that is required to be provided to a consumer before they sign an account contract.

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ANNEX V

KEY FACTS STATEMENT FOR MOBILE WALLET ACCOUNT

KEY FACTS STATEMENT FOR MOBILE WALLET ACCOUNT

Carefully review this document if considering a mobile wallet account.

Use it to compare products from different providers.

Account provider: [Name of institution] Product name: [Name of account product] Date: [Date prepared]

WARNING: The information is current at the above date. Services and fees may change.

ACCOUNT FEATURES

Minimum balance	To open an account: __ Birr / None To keep the account: __ Birr / None
Maximum balance	__ Birr / None
Transaction limits	None / This account is subject to the following transaction limits: __ ⁱ
Additional product information ⁱⁱ	

INTEREST ON ACCOUNT BALANCES

Interest paid on account balances?	YES / NO ⁱⁱⁱ
Interest rate	__ % per annum fixed / variable ^{iv}
Calculation and payment of interest	Interest is calculated on the balance in your account [specify relevant date / time period e.g. daily / at the end of the last business day of the month / calendar year] and is credited to your account __ [specify when the crediting will take place e.g. on the next business day]
Example	Based on the current interest rate, this means for every 1,000 Birr you deposit for 12 months you would receive __ Birr in interest

FEES^v

Opening the account	No fee / __ Birr
Maintaining the account	No fee / __ Birr per __ [specify frequency e.g. monthly] / __ % of your account balance
Cash deposits <input type="checkbox"/> Available <input type="checkbox"/> Not available	No fee / __ Birr / __ % of amount OR __ Birr for deposits between __ Birr and __ Birr [specify all fees which vary depending on the amount of the transaction]
Cash withdrawals <input type="checkbox"/> Available <input type="checkbox"/> Not available	No fee / __ Birr / __ % of amount OR __ Birr for withdrawals between __ Birr and __ Birr [specify all fees which vary depending on the amount of the transaction]
Sending money ^{vi}	No fee / __ Birr / __ % of amount

<input type="checkbox"/> Available <input type="checkbox"/> Not available	OR __ Birr for transfers between __ Birr and __ Birr [<i>specify fee for each part of range</i>]
Receiving money <input type="checkbox"/> Available <input type="checkbox"/> Not available	No fee / __ Birr / __ % of amount OR __ Birr for receipts between __ Birr and __ Birr [<i>specify all fees which vary depending on the amount of the transaction</i>]
Bill payment	No fee / __ Birr / __ % of amount OR __ Birr for bill payments between __ Birr and __ Birr [<i>specify all fees which vary depending on the amount of the transaction</i>]
Other payments (such as to a retailer) <input type="checkbox"/> Available <input type="checkbox"/> Not available	No fee / __ Birr / __ % of amount OR __ Birr for payments between __ Birr and __ Birr [<i>specify all fees which vary depending on the amount of the transaction</i>]
Duplicate statement of account <input type="checkbox"/> Available <input type="checkbox"/> Not available	No fee / __ Birr
Balance inquiry <input type="checkbox"/> Available <input type="checkbox"/> Not available	No fee / __ Birr
Account closure	__ Birr
Other fees	WARNING: Fees other than those listed above may apply to your account. Itemized information about all fees is available in a printed form or on our website at ... [<i>specify link to website page</i>] and is accessible from all our branches, agents and other premises attended by customers.

HOW LONG DO FUNDS TRANSFERS TAKE?^{vii}

Sending funds	Domestic transfers Transfers to another account: [Immediately] [Up to X business days]
	International transfers Transfers to another account: [Immediately] [Up to X business days]
Receiving funds	Domestic transfers Transfers from another account: [Immediately] [Up to X business days]
	International transfers Transfers from another account: [Immediately] [Up to X business days]

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Other things you should know

- **Requirements when opening this account:** To open the account you will need to satisfy some identification requirements. These can include providing documents and information to verify your identity. Please ask the account provider for more details.
- **What happens if you do not use this account for a long period?** If you do not make any transaction for __ months, your account will be treated as [inactive / dormant] and __^{viii}.
- **Closing this account:** To close your account, you should contact __^{ix}.

Where can you get assistance or complain?

- **Do you have any questions or complaints?** Call [TELEPHONE], email [EMAIL ADDRESS], write to [MAILING ADDRESS], or visit [WEBSITE] to contact us regarding your question or complaint: ^x
- **If you are unsatisfied with how a complaint is handled:** You can contact the National Bank of Ethiopia the National Bank of Ethiopia (Indicate email , phone and specific location)

CERTIFIED CORRECT:	I ACKNOWLEDGE RECEIPT OF THIS STATEMENT PRIOR TO SIGNING THE ACCOUNT CONTRACT ^{xi}
<i>Account provider's representative</i> Name: Date:	<i>Customer</i> Name: Date: Application number:

Additional instructions:

ⁱ **Transaction limits:** Describe any transaction limits including for individual transactions e.g. any daily / monthly limit on withdrawals or payments and any international transaction limits. Each category of limit should be specified.

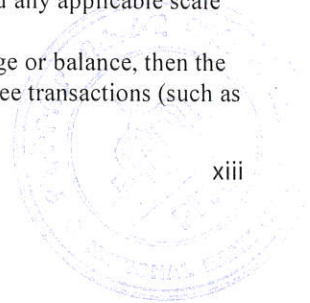
ⁱⁱ **Other information:** Describe any other key features of the account, particularly those which are not obvious from the name of the product – e.g., if the mobile wallet may be linked with another account (such as a savings account).

ⁱⁱⁱ **Interest paid on account balances:** Delete whichever does not apply. If “YES” then the details that follow must be completed. If “NO”, the rows that follow should be deleted.

^{iv} **Interest rate:** Specify current interest rate(s) (including if any are fixed for any period), and any applicable scale e.g. based on the balance.

^v **General fees:** If a fee varies depending on the circumstances, such as based on account usage or balance, then the circumstances in which this is the case need to be made clear - e.g. if there are a number of free transactions (such as

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for deposits, withdrawals or transfers) in a month, if a transaction fee may be reduced, waived or refunded depending on the balance in an account, if a fee varies depending on the amount or if a fee varies depending on whether the transaction takes place at an agent or a branch or via an ATM (including an ATM of another provider).

^{vi} **Sending money:** Make it clear if a fee for sending money varies depending on whether the recipient is a customer of the same mobile wallet provider or not.

^{vii} **Transfers:** Specify if the time will vary depending on whether the transfers are to or from an account with the same account provider or to or from an account with another provider; or if the time will vary depending on whether the transfer is a domestic or international transfer.

^{viii} **Inactive account:** Specify consequences of having an inactive account e.g. whether the account will be closed after a specified period and any fee that may be payable.

^{ix} **Contact for account closure:** Specify contact details.

^x **Contact information:** Specify all channels which can be used by the consumer and contact details - e.g. phone, email, branch offices, social media.

^{xi} **Consumer signature:** Include only in Key Facts Statement that is required to be provided to a consumer before they sign an account contract.

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ANNEX VI

KEY FACTS STATEMENT FOR TIME DEPOSIT ACCOUNT

KEY FACTS STATEMENT FOR TIME DEPOSIT ACCOUNT

Carefully review this document if considering a Time Deposit account.

Use it to compare products from different providers.

Account provider: [Name of institution] **Product name:** [Name of account product] **Date:** [Date prepared]

WARNING: The information is current at the above date. Services, fees and interest rates may change.

ACCOUNT FEATURES

Time deposit period	The deposit account must be maintained for __ months / years If the deposit is withdrawn early, then ⁱ __
Minimum balance	To open an account: __ Birr / None To keep the account: __ Birr / None
Passbook	<input type="checkbox"/> Available <input type="checkbox"/> Not available
Additional product informationⁱⁱ	

INTEREST ON ACCOUNT BALANCES

Interest rate	__ % per annum fixed / variable ⁱⁱⁱ
Calculation and payment of interest	Interest is calculated on the balance in your account [<i>specify relevant date / time period e.g. daily / at the end of the last business day of the month / calendar year</i>] and is credited to your "....." account __ [<i>specify when the crediting will take place e.g. on the next business day</i>]
Example	Based on the current interest rate, this means for every 1,000 Birr you deposit for 12 months you would receive __ Birr in interest

FEES^{iv}

Opening the account	No fee / __ Birr
Maintaining the account	No fee / __ Birr per __ [<i>specify frequency e.g. monthly</i>] / __ % of your account balance
Cash withdrawals <input type="checkbox"/> Available <input type="checkbox"/> Not available	Branch withdrawal: No fee / __ Birr / __ % of withdrawal
Duplicate statement of account <input type="checkbox"/> Available <input type="checkbox"/> Not available	No fee / __ Birr
Balance inquiry <input type="checkbox"/> Available <input type="checkbox"/> Not available	Via a branch: No fee / __ Birr Via our ATMs: No fee / __ Birr Via another institution's ATMs: No fee / __ Birr Via mobile banking: No fee / __ Birr

Handwritten signature



Account closure	Birr
Other fees	WARNING: Fees other than those listed above may apply to your account. Itemized information about all fees is available in a printed form or on our website at ... [specify link to website page] and is accessible from all our branches, agents and other premises attended by customers.

Other things you should know

- **Requirements when opening this account:** To open the account you will need to satisfy some identification requirements. These can include providing documents and information to verify your identity. Please ask the account provider for more details.
- **What happens at the end of the fixed deposit period?** [Provide a brief explanation of what happens at maturity – e.g. what notice the consumer will receive regarding the upcoming maturity of the time deposit and what happens to the deposit funds if the consumer does not withdraw the funds at that time]

Where can you get assistance or complain?

- **Do you have any questions or complaints?** Call. [TELEPHONE], email [EMAIL ADDRESS], write to [MAILING ADDRESS], or visit [WEBSITE] to contact us regarding your question or complaint.^v
- **If you are unsatisfied with how a complaint is handled:** You can contact the National Bank of Ethiopia (Indicate email , phone and specific location)

CERTIFIED CORRECT:	I ACKNOWLEDGE RECEIPT OF THIS STATEMENT PRIOR TO SIGNING THE ACCOUNT CONTRACT ^{vi}
Account provider's representative Name: Date:	Customer Name: Date: Application number:

Additional instructions:

- ⁱ **Early withdrawals:** Specify consequences, including any fee or forfeiture of interest.
- ⁱⁱ **Other information:** Describe key features of account, especially those which are not obvious from the name of the product.
- ⁱⁱⁱ **Interest rate:** Specify current interest rate(s), and any applicable scale e.g. based on the balance or the length of the time deposit.
- ^{iv} **General fees:** If a fee varies depending on the circumstances, such as account usage or balance, then the circumstances in which this is the case need to be made clear - e.g. number of free cash withdrawals.
- ^v **Contact information:** Specify all channels which can be used by the accountholder and contact details - e.g. phone, email, branch offices, social media.
- ^{vi} **Consumer signature:** Include only in Key Facts Statement that is required to be provided to a consumer before they sign an account contract.

Handwritten signature in blue ink



ANNEX VII

INSURANCE POLICY KFS

Key Information about an Insurer	
Insurer Name	
Adress	
Policy Holder Information	
Policyholder Name	
Adress	
Prodcut Information	
Type of Insurance Policy	
Policy Period	
Property/liablity covered	
Name of the life asuured	
Sum insured/assured	
Maximum Indeminity/ Benifit	
Exess^{vi}	
Insurance Premium (after all discusntes)	
Main policy exclusions (General and specific)	
Major policy conditions	
In case of claim- estimated time the process takes	

Signed By	
Date	

ADDITIONAL NOTE

vi. An **excess** is the first amount payable by the policyholder in the event of a loss, and is the uninsured portion of the loss.

[Handwritten signature]

