



**ISLAMIC REPUBLIC OF AFGHANISTAN**  
**Da Afghanistan Bank**

## **Branchless Banking Regulation**

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# **Chapter One**

## **General Provisions**

### **Basis**

#### **Article 1:**

This Regulation is promulgated on basis of Article 177 of the Banking Law of Afghanistan to regulate the affairs of Branchless Banking in the Country.

### **Objectives**

#### **Article 2:**

The objectives of this Regulation are as follows:

1. To provide legal base for branchless banking services;
2. Specify the financial service that can be delivered through agents;
3. To increase the outreach of financial services and enhance financial inclusion and;
4. To clarify roles and responsibilities of financial institutions and their agents regarding branchless banking services.

### **Scope and Applicability:**

#### **Article 3:**

This Regulation is applicable on to Licensed Banks and Deposit taking Microfinance Institutions (hereinafter collectively known as financial institutions) providing Branchless Banking services. Financial institutions shall take the ultimate responsibility for their Branchless Banking services.

### **Definitions**

#### **Article 4:**

In this Regulation, the following terms shall have the following meanings:

1. **Branchless Banking:** Branchless banking is the delivery of financial services outside traditional bank branches which provides alternative to traditional branch-based banking that allows the authorized financial institutions to provide specific financial services to people both in rural and urban areas, by using delivery channels like retail agents and/or relying on information and communication technologies to transmit transaction details – typically card-reading point-of-sale (POS) terminals, ATMs, mobile phones and etc.
2. **Agent-Assist Branchless Banking:** Means conducting specific banking services as outlined in this regulation by authorized agents to consumers on behalf of a financial institution under a valid agency agreement.

3. **Agent:** Refers to any entity that has been appointed and approved by an authorized financial institution to carry out one or more banking services as specified in this regulation.
4. **Authorized Financial Institution (AFI):** Refers to financial institutions authorized by Da Afghanistan Bank to undertake Branchless Banking activities.
5. **Super-Agent:** Refers to an agent which has more than one outlet and can operate under financial institution with multiple relationships, and can sub-contract other agents.
6. **Sole-Agent:** Refers to an agent which can operate under financial institution under single and multiple relationships.
7. **Sub-Agent:** Refers to an entity which is appointed and approved by a super-agent and does not have direct contractual relationship with authorized financial institution.
8. **Know Your Customer (KYC):** Refers to the due diligence activities as described in the Anti Money Laundering/Combating of Financing of Terrorism (AML/CFT) Regulation that entail collection of relevant information or documents from customers through which agents verify the identity of their customers.
9. **Anti-money Laundering/Counter Financing of Terrorism (AML/CFT):** Have the same meaning as described in Anti Money Laundering and Proceeds of Crime Law (AML-PC) and Counter Financing of Terrorism (CFT) Law of Afghanistan.
10. **Electronic Money Institutions (EMI):** Has the same meaning as described in the Electronic Money Institution's Regulation of Da Afghanistan Bank.
11. **Default: DAB:** Stands for Da Afghanistan Bank also known as the Central Bank of Afghanistan.
12. **Financial Institutions:** According to this regulation it refers to banks, deposit taking microfinance institutions.
13. **Technology:** Means providing e-payment services. It can be ATM, POS, online, card reader machines, prepaid cards and any other services in which the financial institutions will provide.
14. **Support Service Provider:** An entity contracted by AFIs for providing technological solutions and/or other supporting services to its agent-assist branchless banking.
15. **One-to-One Relationship:** Under this relationship, a financial institution (i.e. bank A) based on its agreement, allows an entity to provide Branchless Banking services on behalf of only one financial institution (bank A). Financial institutions cannot bind a one to one relationship in their agreement with super agents. In addition, financial institution can have several one-to-one arrangements. One-to-one relationship can be divided as following:
  - 15.1. **One-to-One Relationship with Single-Outlet:** In this relationship, an entity has only one outlet for providing of branchless banking services.
  - 15.2. **One-to-One Relationship with Multiple-Outlets:** In this relationship, an entity has more than one outlet for providing of branchless banking services.

16. **One-to-Many Relationship:** Under this relationship, financial institution (i.e. bank A) based on their agreement, allows an entity to provide branchless banking services on behalf of more than one financial institution. One-to-many relationship can be with single relationship or multiple relationships with more than one financial institution through single or multiple outlets as following:

16.1. **One-to-Many Relationship with Single-Outlet:** In this relationship an entity has one separate outlet for providing branchless banking services of each financial institution.

16.2. **One-to-Many Relationship with Multiple-Outlets:** In this relationship an entity has more than one outlet for providing branchless banking services of each financial institution.

17. **Fit and Proper:** As it is described in Fit and Proper Regulation.

## Chapter Two

### Models, Agent Relationships, Application and Approval Requirements

#### **Authorized Branchless Banking Models**

##### **Article 5:**

- (1) Only bank-led branchless banking model can be implemented through two models. It can be implemented directly and indirectly (agent-assist branchless banking). It is the responsibility of the FIs to carry out detailed analysis of pros and cons of each model before offering any of them. Details of these models are provided below:
  1. **Direct Branchless Banking:** In this model, financial institutions will deploy their e-payment channels including ATM, POS, Online platforms and etc. directly without using any third-party companies. In direct branchless banking, FIs will take all responsibilities of deploying, expanding and monitoring of the e-payment channels according to Electronic Fund Transfer (EFT) and other related regulations for banking sector.
  2. **Indirect Branchless Banking: (Agent-assist Branchless Banking):** In this model, financial institutions provide banking and other financial services through engaged agents under a valid agency agreement.
- (2) In this model the agents will have face-to-face interaction with customers and perform the cash-in/cash-out and other functions.

#### **Branchless Banking Services Approval Requirements**

##### **Article 6:**

- (1) Financial institution, prior to conduct indirect BB services, shall obtain written approval from Da Afghanistan Bank. To do so, financial institution shall submit an application to Licensing section (central register of banks) of Financial Supervision Department of Da Afghanistan Bank.
- (2) The application shall be accompanied by the following information, but are not limited to:
  1. Branchless Banking policy;
  2. Branchless Banking business continuity plan;
  3. Risk management framework for Branchless Banking;
  4. Operational procedure for branchless banking;
  5. Agent selection and due diligence policy and procedures;
  6. The proposed platform to run Branchless Banking services; and
  7. Management and supervision policy of the Branchless Banking network.

- (3) Within 30 working days after receiving the complete application, DAB shall approve or reject the application;
- (4) During review of applications, DAB may require the applicant (financial institution) to submit additional documents or information as may deem necessary;
- (5) The above application process is subject to a non-refundable fee, the fee will be determined by relevant circular.
- (6) Within six months after the date of approval, financial institution must start Branchless Banking services. The approval shall revoke, if the financial institution has not conducted Branchless Banking services within this six month.
- (7) In case of applying direct model, they are only required to notify Licensing section of FSD pertinent to each of payment channels prior to their deployment; and
- (8) Such other processing requirement may be determined by DAB circular.

### **Selection Criteria for Agent**

#### **Article 7:**

- (1) The financial institutions shall structure their Agent-assist branchless banking model and acquisition of agents, according to their business strategies and relevant internal policies.
- (2) Prior to sign the agreement, financial institution shall ensure that agent has met the following criteria, but not limited to:
  1. Is fit and proper;
  2. Has a valid business license issued by relevant government entities;
  3. Has a permanent resident address;
  4. Has a physical business address;
  5. The proposed agent is not classified as non-profit entity;
  6. Has enough resources and infrastructure for conducting branchless banking services;
  7. Is able to carry out real time transactions;
  8. Shall be financially solvent;
  9. Shall not be a loan defaulter;
  10. The agents has capacity and capability in record keeping;
- (3) In addition to the above criteria, super-agent shall have more than one branch;
- (4) In case of sub-contract, super-agent is required to consider at least all above selection criteria;
- (5) All responsibilities for the selection of sole agent and or super-agent fully lie with authorized financial institution; and
- (6) All responsibilities for the selection of sub-agent fully lie with super-agent.

### **Approval Process for an Agent**

#### **Article 8:**

- (1) Prior to approve an agent, authorized financial institution shall make sure that the agent has met the selection criteria and the following information has been collected:
  1. Name (s), address and status of the prospective business or businesses that the financial institution wants to appoint as its agent(s);

2. A copy of business license;
  3. Name(s) and contact details of the owners and its top management of business, if any;
  4. Details on the activities of the proposed agent(s);
  5. Any other information that financial institution deems necessary.
- (2) Also, authorized financial institution shall make sure that the collected information is accurate and reliable.
- (3) The agreement shall clearly outline the contractual obligations, rights and responsibilities, fees and commissions of each parties;
- (4) The agreement shall be signed by the competent person of the financial institution and the owner(s) of the proposed business; and in case of sub-agent, super-agent shall take into consideration all above mentioned points.

### **Eligible Agent**

#### **Article 9:**

The following entities can be appointed as agent:

1. Academic Institutions (Private and Public Universities)
2. Hospitals
3. Micro Finance Institutions
4. Payment Service Providers (PSPs)
5. Cooperatives
6. Pharmacies
7. Travel Agencies
8. Foreign Exchange Dealers
9. Money Service Providers
10. Insurance Companies
11. Agents of Insurance Companies
12. Post Offices
13. Agents of Mobile Network Operators
14. Mobile Money Agents
15. Hotels
16. Airline Companies
17. Super Stores, and
18. Any other retail outlets would be specified by DAB circular.

### **For Support Service Provider**

#### **Article 10:**

The requirements for support service provider are as below, but not limited to:

1. It shall have a valid business license issued by relevant government entity;
2. It shall be carrying out the business activity on ongoing basis;
3. It shall have sufficient technical expertise for managing the support service(s) contracted for;
4. It shall have at least 1 (one) year of experience in the related field; and
5. Any other requirement specified by DAB through circular from time to time.

## **Chapter Three**

### **Branchless Bank's Services, Responsibilities and Due Diligence**

#### **Permissible Services**

##### **Article 11:**

All types of agents (super-agent, sole agent and sub agent) are allowed to provide one or more than one of the following services which are subject to agent's due diligence by AFI and shall be stated in agency contract:

1. Account opening (only individual current and saving accounts);
2. Collection of deposit and cash disbursement as per defined threshold in contract;
3. Micro and small value loan application process on behalf of financial institutions;
4. Bill payments;
5. Facilitating domestic fund transfer;
6. Micro and small value loan disbursement and repayment collection as per defined threshold in contract;
7. Collect check books, and payment cards order and distribute them; and
8. Any other services specified by DAB circular from time to time.

#### **Prohibited Services**

##### **Article 12:**

Agents are not allowed to provide the following services:

1. Loan and credit card appraisal;
2. Issue bank guarantee;
3. Issue check books, debit cards and credit cards;
4. Operate a transaction where receipt cannot be generated for such transaction;
5. Provide services under its own name;
6. Shall not use part of its name words like bank, financial institution or financial intermediary or any other word indicating that the agent is itself a financial institution; and
7. Since all services fee are fixed and collected systematically by the AFI, therefore, agent(s) shall not collect any service fee directly from customers.

#### **Responsibilities of an Agent**

##### **Article 13:**

The main responsibilities of an agent are as follows:

1. Shall be honest and act ethically on its duties;
2. Shall have the knowledge of branchless banking services;

3. Shall ensure that branchless banking operations under taken at the agent's location are separated from other business activities;
4. Compliance with paragraph (3) shall not require separate location for branchless banking operation and other primary business activities, but require clear demarcation of the area and a specific person(s) authorized to conduct branchless banking services;
5. Branchless banking transactions and activities should be recorded separately from other business activities, and such records shall be retained for specific period of time based on authorized financial institution's internal policy;
6. Cannot relocate or close its agency premises without prior written consent of the authorized financial institution;
7. an agent who intended to relocate, close or stop offering banking services shall notify the authorized financial institution (sub-agent shall notify the super-agent) at least 30 days prior from the relocation or closure date;
8. Shall display the following in a conspicuous place where it conducts branchless banking services:
  - 1- a copy of certificate of the agent's appointment and effective date of the appointment of the agent;
  - 2- list of banking services which can be offered by agent, charges and fees which is applicable on each services;
  - 3- contact information of the agent;
  - 4- name, logo and contact information of the authorized financial institution so that consumers can directly contact the authorized financial institution in case, any complain exists;
9. The agent shall have sufficient KYC knowledge and strictly enforce KYC procedures for customer identifications; and
10. The super-agent shall approve, manage the relationship and termination of sub-agent contract in accordance with policies of authorized financial institution.

### **Responsibilities of Financial Institutions**

#### **Article 14:**

- (1) An authorized financial institution shall be responsible for all activities and omissions of its agents, and also shall be responsible to:
  1. Develop branchless banking policy and agent banking business continuity plan to ensure sustainability of branchless banking services;
  2. Develop a standard branchless banking contract, ToR, and code of conduct;
  3. Train agents adequately and provide them with operational manual and guidelines;
  4. Design and conduct time to time, efficient and effective training programs for agents in order to:
    - 1- Enable the agents to carry out the branchless banking services;
    - 2- Ensure strict data privacy of consumers and the right of consumers; and
    - 3- Improve the agent's competency and AML/CFT knowledge.

5. The list of agents with their names and addresses shall be displayed in all branches and website of financial institution; and copies of it should be easy to access for all consumers;
  6. Ensure that agents comply with the requirements of this regulation;
  7. The board of management of financial institution shall ensure the proper procedures/policies are in place for management of the risks associated with the branchless banking;
  8. When a contract between financial institution and agent is terminated or the agent is relocated, financial institution shall publish the report of termination and relocation of their agent(s) through a proper channel;
  9. Financial institutions shall have appropriate team for management and supervision of their agents and supervision of agents should be conducted periodically, at least on quarterly basis;
  10. Financial institution shall ensure appropriate management and supervision of all its agents' operations;
- (2) The Board of supervisors (BoS) of financial institution shall approve the following, but not limited to:
1. Branchless banking policy;
  2. Branchless banking continuity plan;
  3. Branchless banking code of conduct;
  4. Branchless banking operational manual;
  5. Agents ToR;
  6. Policies related to control and monitoring;
  7. Customer protection and awareness measures; and
  8. Risk management framework.
- (3) Financial institution shall set transaction threshold for its agents;
- (4) Financial institution shall take necessary steps to create and improve the awareness among customers in local languages;
- (5) Financial institutions shall have thirty percent (30%) of their agents in rural areas;
- (6) Financial institutions shall allocate a unique ID number to their agents that clearly displayed at the agent's premises;
- (7) Cash deposit limit shall not exceed the following thresholds in order to minimize and mitigate risk exposure:
1. At sole agent and/or sub agent level, cash deposit (cash-in) can only be 4 times per consumer account per day and 15 times per month. The limit of each transaction must be AFN 15,000 per consumer.

2. At super agent level, Cash deposit (cash-in) 5 times per consumer account per day and 20 times per month. The limit of each transaction must be AFN 20,000 per consumer account.
- (8) Cash withdrawal limit shall not exceed the following thresholds:
1. At sole agent and/or sub agent, Cash withdraw (cash-out) can only be 3 times per consumer account per day and 10 times per month. The limit of the each transaction must be AFN 10,000 per consumer account;
  2. At super agent, cash withdraw (cash-out) can only be 4 times per consumer account per day and 15 times per month. The limit of the each transaction must be AFN 15,000 per consumer account; and
  3. If the amount of any transaction exceeds the percentage limit, system shall automatically stop the agent to transact.
- (9) The loan disbursement from/repayment to loan account and remittances are exempted from above transactions limits;
- (10) An agent shall deposit a fixed amount of money as cash margin or have a credit limit with the financial institution based on their agreement;
- (11) The agent can make transactions with its customers up to eighty (80%) percent of the deposited amount, credit limit or collateral specified in sub-paragraph (t) of this section;
- (12) Remittance limit for agents shall be determined by authorized financial institution; and DAB may change these limits from time to time through circular.

### **Agent Due Diligence**

#### **Article 15:**

- (1) Financial institutions are responsible for having agent due diligence procedures and the roles and responsibilities of each unit within the financial institution shall be clearly specified in the agent due diligence procedures;
- (2) Agent due diligence shall contain initial and regular due diligence;
- (3) A financial institution shall exercise proper initial due-diligence during the selection of an agent and regular due diligence should be performed based on a specified interval to ensure that:
  1. agents are well established, fit and proper and, have good reputations; and
  2. ensure that requirements of AML/CFT and other relevant regulations are adhered to.
- (4) Agent due diligence also include the verification of proposed agent's legal status, verification of location, adequacy of agent's assets and resources for offering branchless banking services; and
- (5) Super-agent shall conduct due diligence of its sub-agents based on AFI's due diligence procedures.

## **Chapter- Four Agency Contract**

### **Minimum Requirements for Agency Contract**

#### **Article 16:**

- (1) An authorized financial institution shall sign a contract with each proposed agent before the agent offer permissible activities as specified in this regulation;
- (2) The agency contract shall clearly indicate and specify the rights, obligations and expectations of both parties entered into agreement, and shall contain the following, but not limited to:
  1. states that agent shall ensure the safe keeping of relevant documents, customer information, records and data based on AFI's internal policy, or alternatively such information and records are submitted to the financial institution, and financial institution is responsible to maintain the submitted records based on its internal policy;
  2. specify transaction limit of the agent;
  3. set the fees/revenue sharing structure between agent and financial institution;
  4. states that agent shall not collect, change or charge any fees for its services, other than those charges and fees fixed and systematically collected by financial institution;
  5. clearly specify that all information and data collected by agent is property of the financial institution and should be kept confidential;
  6. states that compliance with KYC, AML/CFT and customer protection requirements are mandatory;
  7. states requirements for agents to report the suspicious transactions to the financial institution;
  8. clearly indicate that financial services are subject to regulatory requirements of DAB, and DAB examiners shall be granted full and timely access to internal systems, records, reports of the agent;
  9. clearly specify the services that an agent can provide and the activities that an agent is prohibited from engaging in;
  10. clearly state the conditions an agency contract can be terminated;
  11. In the case of sub-agent, a super agent shall consider all requirements mentioned above in their contract; and
- (3) DAB can directly terminate the contract where it deems necessary.

### **Termination of Agency Contract**

#### **Article 17:**

- (1) An agency contract may be terminated if the one or more of the following happen:
  1. The authorized financial institution liquidated or revoked under the relevant laws or regulations of DAB;

2. The agent offers services where its branchless banking license has been ceased;
  3. The authorized financial institution commercial activities ceased or its license, certificate or approval is revoked or cancelled;
  4. The agent is convicted or is committed to any criminal offence including fraud, ML/TF, misuse of customers' information and dishonesty;
  5. The agent fails to renew or does not hold a valid business license;
  6. The agent becomes bankrupt or sustains a huge financial loss which make it impossible for the agent to gain its financial soundness within 2 months;
  7. The agent operates, advertises or otherwise acts in the manner seems that agent can offer banking services which are not specified in the agency contract;
  8. The agent relocates or stops its branchless banking operation without prior written consent of the financial institution or breaches the agency contract;
  9. The agent prevents the access of DAB supervisors to the internal systems, records, documents and any other information;
  10. In the case of sub-agent, a super-agent shall consider all requirements mentioned above; and
  11. Where the agent breaches the regulations or being dissolved by court or otherwise.
- (2) When an agency contract is terminated, the authorized financial institution shall notify DAB and publish a notice in the location where the agent was offering banking services;
- (3) When a sub-agency contract is terminated, super-agent shall notify the authorized financial institution and the AFI shall notify DAB respectively.

### **Revenue Sharing Between Financial Institution and its Agent**

#### **Article 18:**

Revenues arising from branchless banking services are free to negotiate, and agent can negotiate fees and commissions with the authorized financial institution (sub-agent can negotiate fees and commission with super-agent) based on quality of its operations, transaction volume and agent's location.

## **Chapter Five**

### **Technology, Risk Management, Supervision and Reporting Systems**

#### **Technology of Settlement of Transactions**

##### **Article 19:**

Technology of Settlement of Transactions shall include the following:

1. Transactions involving deposit, withdrawal, payment, remittances or transfer of cash from or to an account shall be real time;
2. Technical requirement for operating systems of the indirect Branchless banking (Agent-Assist Branchless banking);
3. With a view to establishing sound systems and vigorous infrastructure to support branchless banking, AFIs have to ensure the compliance with the following minimum requirements:
  1. IT infrastructure must be:
    - 1.1 able to support real-time processing;
    - 1.2 able to provide a secured network including end-to-end encryption;
    - 1.3 robust managing structural capacity to support branchless banking services; and
    - 1.4 capable of monitoring, detecting and combating cybercrimes and other possible threats.

#### **Requirements for Payment Acceptance Devices (PAD)**

##### **Article 20:**

Payment Acceptance Devices (PAD) must be:

1. able to support minimum two factor authentication/two-step verification for agent and customer registration;
2. able to support the requirement of end-to-end encryption based on industry standards algorithm (from end-point devices i.e. PAD to host system); and
3. at end point, device should not store the sensitive customer information like PIN/password/biometrics and etc.

#### **Requirements of Branchless Banking Application/Software**

##### **Article 21:**

(1) Branchless Banking Application/Software must be:

1. able to support host validation for PIN/password/biometrics authentication;
2. able to provide device authentication during session activation and transaction processing at host level; and
3. capable to have limit management feature for agents, customers, transactions and other limit requirements.

(2) Others Features of the Branchless Banking Systems should include the following:

1. Allow handling under different user profiles for administration, maintenance and operation;
2. The system should have interoperability functions/solution;
3. Reverse incomplete transactions due to error, system failure, power outage or other defects;
4. Process or generate durable transactional documents or receipts;
5. Automatically log off an agent once the agent exhausts its daily cash limit or tries to perform an illegal or unauthorized transaction;
6. The bank/support service provider shall at all times monitor the safety, security and efficiency of the equipment being used to prevent any tampering or manipulation by any person;
7. The bank/support service provider shall regularly inspect the equipment and certify their soundness; and
8. Access to client information by agents should be restricted to a level that would only require for completing a transaction.

### **Risk Management**

#### **Article 22:**

- (1) All financial institutions shall have a risk management framework for their agents and financial institution must consider the branchless banking risk management as part of their all risk management process and shall address the following:
  1. Mitigate the liquidity risk, operational risk, credit risk, frauds, ML/TF risks;
  2. Mitigate technical and technological risks such as ensure software and hardware security and functionality;
  3. Ensure the information and data security; and
  4. Financial institution shall from time to time and on regular manner monitor the security of its agent system, and shall monitor effective compliance with all laws, regulations and guidelines set by DAB and other applicable measures.
- (2) Financial institution shall develop an operational manual and accounting procedures to be used by their agents.

### **Supervision of Agents**

#### **Article 23:**

- (1) The authorized financial institution shall establish a strong monitoring system for both off-site and on-site supervision in order to monitor and supervise all activities of their agents;
- (2) Financial institution to the extent possible, shall review the agent's operations periodically and regularly to ensure that the agent's operations are in accordance with the terms and conditions mentioned in the contract and are strictly following the relevant laws and regulations issued by DAB;
- (3) Financial institution must specify its staff for monitoring its agents;
- (4) Financial institutions and super agents are required to state agent's supervision by DAB in their respective agreements;
- (5) Super-agent shall monitor its sub-agents based on supervisory procedures/manuals of authorized financial institutions. Financial institution shall also supervise the activities of sub-agent.

## **Consumer Protection**

### **Article 24:**

- (1) The authorized financial institution shall be fully responsible and liable for all activities of its agents, therefore, financial institutions shall develop appropriate policies for customer protection and awareness in compliance with DAB's Financial Customer Protection Regulation.
- (2) Financial institution shall consider the following:
  1. Publish the updated list of their agents including name, address and period of appointment of agents on its website, Facebook page or any other publications;
  2. Display the branchless banking logo and financial institution logo on its website and at the agent's location in order to customer can easily identify its agents;
  3. Shall issue receipt for all transaction offering via agent and financial institution shall equip its agent with the necessary tools that enables the receipt or acknowledgement generation for such transactions;
  4. Financial institution must display the contact information of its customer services center and contact information of its internal dispute resolution mechanism on its website and at all its agents' location so customers of branchless banking services can make a compliant;
  5. Financial institution shall publish in its website and display the list of services that agents are allowed to provide and a schedule of all charges and fees in all of its branches, agents premises and websites;
- (3) Customer complaints shall be resolved within reasonable time and not later than the time specified in DAB's Financial Customer Protection Regulation;
- (4) The agent shall not charge or collect any fee from consumers.
- (5) The service fee and charges of financial institutions shall be published in the booklet or brochure and should be available in agent's location;
- (6) The agent shall not introduce or offer any financial services which is not specified in the contract which is in compliance with this regulation;
- (7) Financial institution must ensure the confidentiality of customers' data at its agents and make sure that customers' information is highly protected;
- (8) When an agent is operating on behalf of more than one financial institution, the agent shall ensure that the data and information of consumers of each financial institution are recorded and kept in separate database, and there should not be any overlap, intermixing and amalgamation between such information;
- (9) All contract with customers shall specify that the financial institution is responsible for omission and actions of its agents;
- (10) In agency contract between financial institution and an agent, provisions must be included that clearly contain commitments and responsibilities of financial institution and the agent regarding privacy of data, quality of services, disclosure, and transparency,

fair treatment requirements; and Super agents shall not share data of one AFI with the other(s) at all.

### **Reporting Requirements**

#### **Article 25:**

- (1) Authorized financial institutions shall monthly report the following to DAB:
  1. Information on nature, number and volume of each services provided by their agents;
  2. Customer complaints received and number of complaints solved;
  3. A copy of supervisory report conducted by financial institutions on operations of their agents;
  4. List of agents and their information shall be reported to DAB.
- (2) DAB may from time-to-time require the financial institutions to provide additional information as may deem necessary or change reporting period;
- (3) Reporting requirements of agents shall be stated in financial institutions policies and agreements.

### **Effective Date**

#### **Article 26:**

This regulation is effective upon adoption and approval by the Supreme Council of DAB.