Financial Access 2010

The State of Financial Inclusion Through the Crisis

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CGAP

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Design and layout by Gerry Quinn Information Design, Cabin John, MD.

If you have questions or comments about this product, please contact:

CGAP
MSN P 3-300
The World Bank Group
1818 H Street, NW
Washington DC 20433
USA
Phone: 202-473-9594
Fax: 202-522-3744
E-mail: cgap@worldbank.org
Web: www.cgap.org/financialindicators

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The report was researched and written by a team led by Nataliya Mylenko and comprising Hédia Arbi, Oya Pinar Ardic, Kristine Cronin, Maximilien Heimann, Joyce Ibrahim, and Valentina Saltane.

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OVERVIEW

Financial Access 2010 is the second in a series of annual reports by CGAP (Consultative Group to Assist the Poor) and the World Bank Group to monitor statistics for financial access around the world and to inform the policy debate. The series was launched in response to the increasing interest in financial inclusion among policy makers and the development community. The first report, *Financial Access 2009*, introduced statistics on the use of financial services in 139 economies and mapped a broad range of policies and initiatives supporting financial inclusion.

Building on last year's data, *Financial Access 2010* reviews survey responses from 142 economies, updates statistics on the use of financial services, and analyzes changes that took place in 2009—a turbulent year for the financial sector in most economies. In addition, *Financial Access 2010* expands on last year's work by reviewing three policy areas relevant to the current financial access debate: financial inclusion mandates, consumer protection in financial services, and access to finance by small and medium enterprises (SMEs). The report does not intend to suggest that these three topics are the most important ones for financial inclusion. Rather, these topics are timely because much of the discussion in the aftermath of the financial crisis centered on the role of the government in financial services, financial consumer protection regimes, and the urgent need for jobs. Consequently, the report seeks to clarify the role of financial regulators in implementing policies to support the financial inclusion agenda. For the first time, it provides a detailed overview of the main features of financial consumer protection regimes, a topic of great interest to policy makers in the aftermath of the financial crisis. *Financial Access 2010* also surveys availability of data on SME financing to contribute to the global effort to improve the measurement of SME financing led by the G-20.[1]

Financial Access 2010 aims to contribute to the efforts to measure financial access at the country level worldwide, to develop a consistent database, and to present the data in a coherent manner for future analyses. At the same time, the report recognizes that not all institutions that serve low-income and poor people report to the financial regulators. However, evaluation of specific policy interventions is beyond the scope of this report.

The positive relationship between financial development and economic growth is well documented in the literature.[2] In more recent years, the debate has expanded to include the notion of financial "exclusion" as a barrier to economic development and the need for building inclusive financial systems.[3] Recent empirical evidence using household data indicates that access to basic financial services such as savings, payments, and credit can make a substantial positive difference in poor people's lives.[4] For firms, especially SMEs, lack of access to finance is often the main obstacle to growth.[5]

Access to basic financial services continued to improve, albeit at a slower rate, as the financial crisis took its toll

Nearly 60 percent of the economies experienced a contraction in real per capita income in 2009 as a result of the deepening of the global financial crisis. Worldwide volume of deposits and loans shrank, with a median decrease of 12 percent in the ratio of deposit value to gross domestic product (GDP) and a median decrease of 15 percent in the ratio of value of loans to GDP. Despite this fact, *Financial Access 2010* finds that use of basic deposit services expanded, showing a 4 percent median growth rate in the number of deposit accounts per 1,000 adults. Use of credit services suffered more from the crisis, and on average, the number of loans per 1,000 adults remained broadly unchanged between 2008 and 2009.

A simultaneous increase in the number of accounts and decrease in the value of deposits support the view that access to savings and payment services is a basic need. The use of these services is inelastic with respect to the macroeconomic conditions. This finding underscores the need to promote access to basic payments and savings services as essential tools in an increasingly digitized and globalized world.

Physical outreach of the financial system, consisting of branch networks, automated teller machines (ATMs), and point-of-sale (POS) terminals, expanded in 2009. ATM and POS networks expanded faster than bank branches. The macroeconomic situation strongly influenced changes in retail infrastructure, and economies hit by the crisis saw bank branches close.

Low- and middle-income countries lag behind high-income countries in terms of the number of bank branches, ATMs, and POS terminals. However, the number of ATMs exceeded the number of bank branches for the first time in low-income countries. New technological developments and the expansion of electronic payments through mobile and Internet banking offer hope for bringing financial services closer to clients.

Even though access to deposit services continued to expand, data analysis points to the importance of macroeconomic and financial stability for access. Further research is needed to better understand the transmission channels and potential feedback loops between financial stability and access and to identify policy solutions aiming to balance both objectives in a sustainable manner.

Financial inclusion mandates are on the agenda of many financial regulators and reform efforts are widespread, but implementation capacity is often limited

Over the past year, government interest in financial inclusion has heightened in many countries. This interest spans from promotional activities to encourage savings or access to financial services in rural areas to the establishment of new regulations or financial capability programs. Data from the *Financial Access 2010* survey show that in 90 percent of economies, at least some aspect of the financial inclusion agenda is under the purview of the main financial regulator. Consumer protection and financial literacy issues, often as a part of standard conduct of business regulations and supervision mandates, are the most common areas of focus across all income groups and regions. Financial regulators in low- and middle-income countries are more likely to focus on promoting access to deposit and credit services.

But financial regulators do not always have sufficient authority and resources to implement a broad financial access agenda. The survey uses the existence of an allocated team or unit as a proxy for implementation capacity. On average, across the financial inclusion topics surveyed, only about 80 percent of economies with responsibility for a financial access area have an allocated team or unit implementing the policy. The capacity gap is larger in low-income countries, with the paradox that it is precisely in these economies that the agenda is broader. Taking a systematic approach and having a clear financial access strategy as an organizing principle for implementing financial access reforms may help in planning resources better. The *Financial Access 2010* data indicate that economies with financial inclusion strategies are more likely to cover more topics and have allocated resources.

Consumer protection: Legislation is in place, but implementation and enforcement are often lacking

One key message that can be taken from the global financial crisis has been the lack of sound financial regulations, including consumer protection. The number of legislative and institutional reforms introduced in recent years show that consumer protection has garnered the attention of policy makers worldwide. Many economies are introducing new regulations requiring information disclosure on financial products to the consumer and curtailing abusive practices against consumers. *Financial Access 2010* finds that in 118 out of 142 economies responding to the survey, some form of financial consumer protection legislation is in place.

But legislation is often broad and does not cover issues specific to the financial industry. Only half of the economies have legal provisions restricting unfair and high-pressure selling practices and abusive collection practices. The requirement to periodically disclose account information is present in half of the economies that have a requirement for account opening. In most cases, regulations do not apply to unregulated financial service providers.

Lack of resources, institutional capacity, and enforcement powers obstruct the effective implementation of consumer protection legislation. The data provided by financial regulators via the *Financial Access 2010* survey show a stark discrepancy between the stated requirements and the available enforcement powers, capacity, and mechanisms. Regulators in only about half of the economies are empowered to issue warnings or impose fines on financial institutions violating consumer protection regulations. A public notice of violation—one of the most effective deterrence tools—can be used in only about a third of economies. Regulation and supervision of consumer protection issues are often part of broader business conduct regulations and supervision mandates, with neither resources nor teams specifically dedicated to the issues of financial consumer protection. Among regulators with an oversight responsibility in consumer protection, only about two-thirds have an allocated unit or team working on consumer protection.

The success of enforcement also depends on active consumers who are willing to seek recourse when they feel they have been treated unfairly by financial institutions. Therefore, effective dispute resolution mechanisms are essential to implementation of the law. Yet such mechanisms are not very common: Only 58 percent of economies reported the existence of a third-party dispute resolution mechanism. Where available, the effectiveness of such mechanisms is hard to evaluate because not many economies keep track of the number of complaints received and disputes resolved.

SME finance: Many regulators collect statistics on SME finance volumes, but lack of a consistent definition makes global estimates challenging

Ensuring that households have access to a broad range of financial services is a critical objective of the financial inclusion agenda. Expanding access to financial services to SMEs is another. For the first time, *Financial Access 2010* asked financial regulators whether they collect information on SME finance and how they define SMEs.

Financial regulators in two-thirds of economies report collecting SME finance data. In many countries, financial regulators are well placed to collect SME lending data as part of regular reporting by financial institutions. This year 50 economies provided data on the volume of SME finance using their national definition. Data analysis indicates that further efforts are necessary to define the criteria and processes for the collection of data on SME financing to facilitate cross-country comparison. The SME finance subgroup under the G-20 Financial Inclusion Experts Group,[6] bringing together international experts, development agencies, and governments to establish a comprehensive, consistent, and scalable framework to measure and track the progress over time of SME access to financial services in the developing world, is promising in this regard.

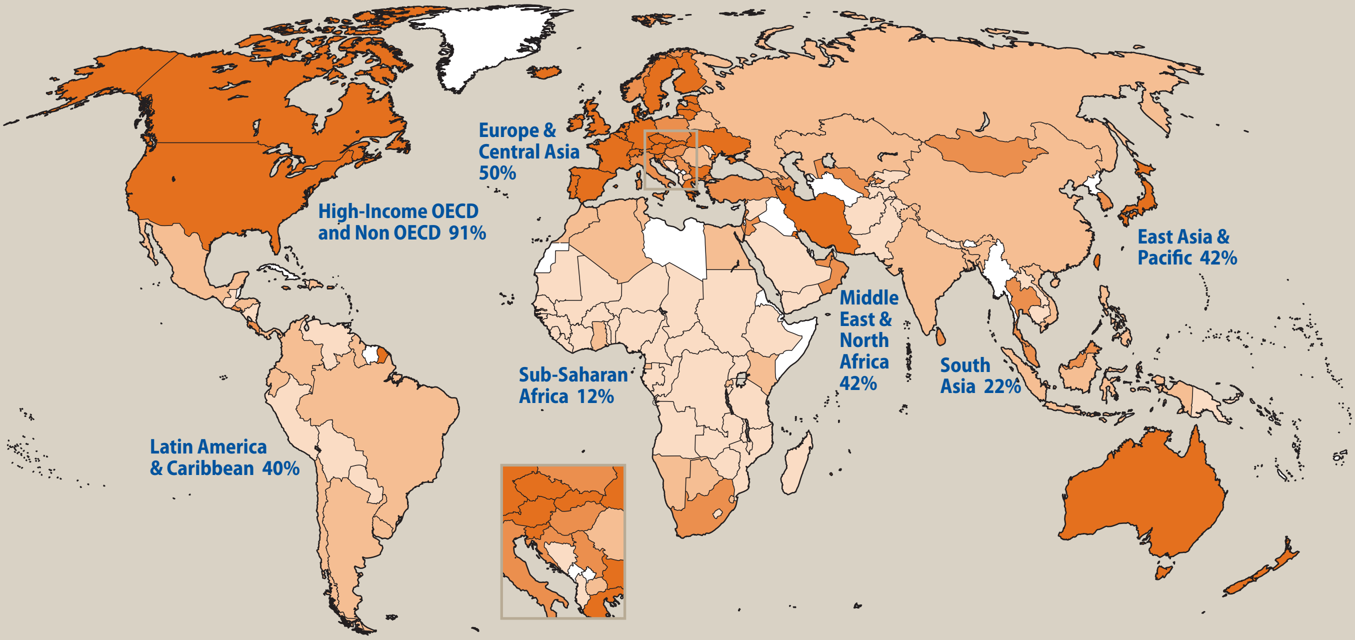
Based on the data provided by regulators this year, global volume of SME finance is an estimated $10 trillion. To put this number into perspective, it is roughly two-thirds of the current size of the U.S. economy. The bulk of this estimated SME lending volume—70 percent—is concentrated in high-income OECD (Organisation for Economic Co-operation and Development) countries. The SME finance segment is small in relation to the size of the GDP in low- and middle-income countries compared with that of high-income countries. The median ratio of SME loans to GDP in high-income countries is 13 percent, compared with only 3 percent in developing countries.

NOTES

1. The Pittsburgh G-20 Summit (2009).
2. See, for example, Beck, Levine, and Loayza (2000), Beck, Demirgüç-Kunt, and Levine (2004), Demirgüç-Kunt and Maksimovic (1998), King and Levine (1993), and Klapper, Laeven, and Rajan (2006).
3. Beck, Demirgüç-Kunt, and Martinez Peria (2008b).
4. Caskey, Durán, and Solo (2006); Dupas and Robinson (2009).
5. Schiffer and Weder (2001); Cressy (2002); IADB (2004); Beck, Demirgüç-Kunt, and Levine (2005); Beck and Demirgüç-Kunt (2006); Beck, Demirgüç-Kunt, and Martinez Peria (2008a).
6. See the Pittsburgh G-20 Summit (2009), "Leaders' Statement," paragraph 41.

MAP 1.1

Percentage of banked households, 2009



% of households with a deposit account in a formal financial institution

- 0–25
- 25–50
- 50–75
- 75–100
- NO DATA

Note: OECD = Organisation for Economic Co-operation and Development

The map uses data from household surveys including Living Standard Measurement Surveys where available, as well as regional sources: for the EU, the European Commission's Eurobarometer, Special Barometer 260 (2007); for Africa, FinMark Trust's FinScope; for Latin America, Tejerina and Westley (2007) and the MECOVI database and Barr et al. (2007); and Nenova et al. (2009). For countries for which these data are unavailable, predictions based on an econometric model with number of deposit accounts per 1,000 adults and number of branches per km^2 from the *Financial Access* database are used. See the section on Methodology for more details. Data for Taiwan (China), Hong Kong SAR (China), and Puerto Rico (US) have been broken out from the national dataset.

CHANGES IN ACCESS TO FINANCIAL SERVICES

DEPOSIT SERVICES

Access to deposit services varies greatly across different parts of the world. *Financial Access 2010* estimates that about half of the households in the world have no access to a bank account. The immediate—and obvious—consequence of this situation is that the poor have to rely on informal financial services that may be more costly and less reliable. This inequality robs people, especially the poor and most vulnerable, of important options to manage their irregular cash flows and smooth consumption.[1] At the more macro level, low levels of financial inclusion represent an obstacle to economic development.[2] Consequently, financial inclusion has become an important topic in the development agenda.

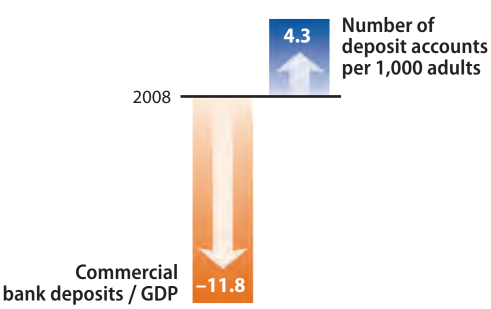
How many people use deposit services offered by commercial banks?

Map 1.1 gives a broad view of access to deposit services around the world. The map plots the percentage of households that have a deposit account in a formal financial institution using information from various household surveys and estimates based on the data from the *Financial Access 2010* survey.[3] To identify gaps in access, one would ideally evaluate information on the number of individuals using various types of financial services, preferably disaggregated into socio-economic groups. Though household surveys sometimes provide this information, it is not available for a large enough number of economies to enable us to assess the global picture.[4] Nonetheless, data collected through the *Financial Access 2010* survey combined with the information from existing household surveys allow us to estimate that 49 percent of households—or about half of the world—have deposit accounts in formal financial institutions. Almost all economies in Sub-Saharan Africa are below this world average, whereas high-income countries are above it. Sub-Saharan Africa and South Asia are the regions with the lowest share of banked households. The percentage of households having deposit accounts in a formal financial institution varies greatly across countries, from below 1 percent in the Democratic Republic of Congo and Afghanistan to close to 100 percent in Japan.

The number of deposit accounts continued to expand despite the crisis, though deposit volume declined significantly

In 2009 as the global financial crisis unfolded, about 60 percent of economies experienced a decline in real per capita GDP, and for those that went through expansions, median growth was only 2.1 percent.[5] Deteriorating macroeconomic conditions affected the deposit volume around the globe as individuals and firms had to tap into their savings. Seventy-seven percent of economies in the *Financial Access 2010* database experienced a decline in deposit-to-GDP ratio, with an average decline of 11.8 percent. The overall world deposit-to-GDP ratio decreased from 72 percent at the end of 2008 to 66 percent at the end of 2009.[6]

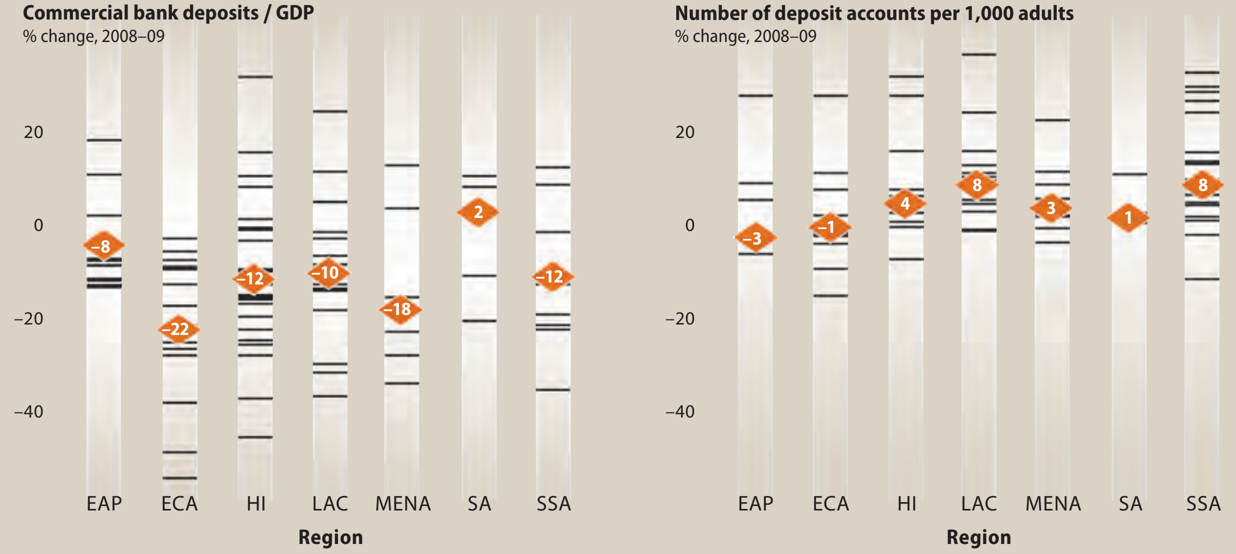
FIGURE 1.1
More accounts, less money in commercial banks
% change, 2008–09



Source: Financial Access database.

FIGURE 1.2

Lower deposit values, more deposit accounts in most regions



Source: Financial Access database.

Note: EAP=East Asia and the Pacific region, ECA=Europe and Central Asia region, HI=High-Income OECD, LAC=Latin America and the Caribbean region, MENA=Middle East and North Africa region, SA=South Asia region, and SSA=Sub-Saharan Africa region

Yet even in the midst of the crisis, the use of financial services continued to expand. The number of deposit accounts per 1,000 adults increased in 69 percent of the economies reporting data. The world as a whole added 65 accounts per 1,000 adults in 2009, which is roughly a 10 percent increase in the median number of accounts per 1,000 adults. Growth has been uneven across countries, however, and the median change was only 4.3 percent (figure 1.1).[7]

Changes in volume of deposits and number of deposit accounts differ substantially across regions (figure 1.2). Economies in Eastern Europe and Central Asia, where the financial system was severely affected by the crisis, show the largest median drop in deposit-to-GDP ratio at 22 percent. At the same time, South Asia experienced a marginal increase in the median deposit-to-GDP ratio. Sub-Saharan Africa, the region with the lowest level of deposit account penetration, experienced the second largest median increase in the number of deposit accounts per 1,000 adults, surpassed only by Latin America and the Caribbean. The number of accounts per 1,000 adults on average increased in all regions except for East Asia and the Pacific and Europe and Central Asia. Note that these regional averages should be interpreted with caution because of differences in intraregional variation, as figure 1.2 displays.

The variation in changes in the number of deposit accounts and the volume of deposits exhibit similar patterns across income groups. Middle-income and high-income countries on average experienced a larger decline in volume of deposits as a percentage of GDP than did the low end of the world income distribution, mostly because of the effect of the financial crisis. Though the largest median increase in deposit account penetration is observed in the poorest 20 percent of countries, the richest 20 percent have seen only a slight expansion.

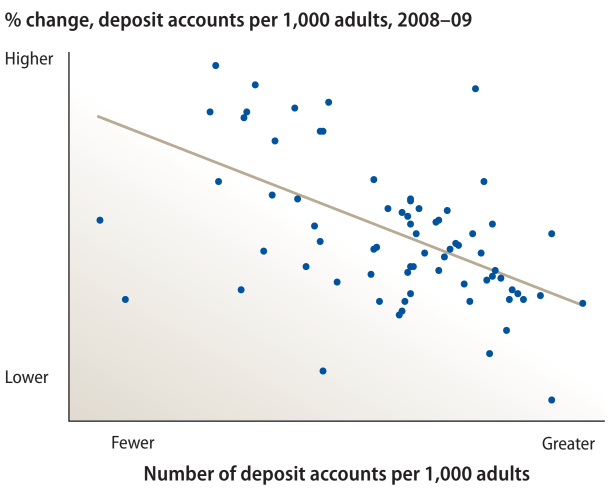
Expansion of access to deposit services

Because of endogeneity issues involved with the cross-country regression framework and data limitations (especially in terms of time dimension), uncovering statistically significant causal effects in the current context is not possible. Hence, rather than drawing conclusions about causal relationships, *Financial Access 2010* focuses on investigating correlations and partial associations between country-level variables.

The analysis of the changes in the number of deposit accounts per 1,000 adults between 2008 and 2009 highlights the importance of macroeconomic stability and growth for improving financial access. The change in the number of accounts per 1,000 adults is strongly positively correlated with macroeconomic outlook, measured by short-run forecasts of real per capita GDP growth.[8] In addition, lower deposit penetration at the end of 2008 is positively associated with a greater change in the number of deposit accounts per 1,000 adults. Figure 1.3 plots this negative association between deposit penetration at the end of 2008 and the change in the number of accounts in 2009 after controlling for expected real per capita GDP growth. The results indicate that access to basic deposit services continues to improve, but macroeconomic stability and growth are essential for sustainable improvement in financial access.

FIGURE 1.3

Financial inclusion: Change in deposit penetration is larger for economies with fewer initial deposit accounts



Source: Financial Access database.
Note: Correlation controls for expected real GDP growth in 2009–10. The relationship is significant at the 5 percent level.

Macroeconomic factors, physical infrastructure, and the structure of financial markets play an important role in deposit penetration

Consistent with previous research, cross-country analysis using *Financial Access 2010* data indicates that a number of macroeconomic factors are correlated with the level of deposit account penetration.[9] Income per capita is strongly correlated with the number of deposit accounts. A 1 percent change in GDP per capita is associated with a change of around 0.3 to 0.6 percent in the number of deposit accounts per 1,000 adults. Branch penetration and the existence of explicit deposit insurance are also positively related to deposit account penetration.

Physical infrastructure indicators, including electricity consumption, phone lines, and the number of landline and cell phone users, are all positively related to the number of branches and to deposit penetration, indicating that a better developed infrastructure and a higher degree of deposit penetration go hand in hand. The legal environment, measured by the index of the strength of legal rights for borrowers and lenders, is also closely related to deposit penetration. A favorable legal environment for lending may enable banks to operate more profitably through lending and to grow, eventually leading to expansion of deposit services.[10]

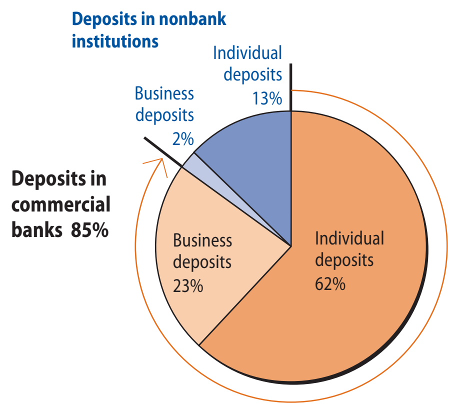
A greater degree of competition, proxied by the concentration ratio in the banking sector, is associated with greater deposit penetration. This is in line with earlier studies arguing that competition in the banking sector would increase efficiency and, in turn, would lead to a larger variety of products and services offered to a larger depositor base.[11] The analysis of the correlation between interest rate spread (lending rate minus deposit rate) and deposit account penetration lends support to this argument. Economies with lower interest rate spreads also show a higher number of deposit accounts per 1,000 adults.

Analysis of the volume of deposits normalized by GDP offers further insight into the factors affecting financial access. Although inflation, as a proxy of macroeconomic stability, is not significantly correlated with the number of deposit accounts, it is negatively related to deposit volume. In other words, macroeconomic stability seems to matter for the decision of how much money to put in the bank account, but not for having an account at all. This result is consistent with the evidence of a simultaneous decrease in deposit volume and increase in number of accounts despite the financial crisis. It also supports the view that a deposit account is a basic service, and having one is inelastic with respect to macroeconomic disturbances.

FIGURE 1.4

Commercial banks hold most deposits by volume

% of total volume by type of institution and depositor



Source: Financial Access database.

Banks versus nonbanks and access to deposit services

Not surprisingly, central banks and financial regulators have the most complete information on commercial banks as they are often the institutional type most directly, and for the longest time, under the purview of the regulators. However, many nonbank institutions also provide financial services and some even have specific financial inclusion mandates. These include cooperatives, specialized state financial institutions, and microfinance institutions. Robust analysis of the changes in the number and volume of deposits between banks and nonbanks is challenging because of data limitations for nonbanks. The challenge is threefold. First, in a number of economies information on nonbanks is not available. Second, financial institutions in a number of economies changed their status or new institution types were introduced contributing to breaks in a time series. Third, only partial data on each nonbank group may be available, distorting comparison of banks and nonbanks within the system. Once economies with data inconsistencies are excluded, the resulting subset of economies with comparable data for each institutional category is small. For example, for cooperatives only 20 economies have comparable data for a change in the number of deposit accounts; for specialized state financial institutions it is 22; and for microfinance institutions only 8 economies have comparable data. Statistical analysis shows that among nonbanks, the change in the number of accounts is different from zero only for state specialized financial institutions. Moreover, the changes in the number of accounts in commercial banks and in state specialized financial institutions are not different from one another.

The majority of the deposits by number and volume are held in commercial banks: 85 percent of total deposit volume and 96 percent of all deposit accounts (figure 1.4). Often a country's legal framework does not allow any other institutions to take deposits. But in a number of economies nonbanks play an important role in providing basic deposit services. For example, in Burundi, Chile, Spain, and France, cooperatives or specialized state financial institutions hold more deposit accounts than do commercial banks. And in a number of West African countries—Benin, Burkina Faso, Côte d'Ivoire, and Niger—deposit-taking microfinance institutions have more depositors than do commercial banks, which suggests that nonbanks can be an important player in providing basic deposit services.

Individual deposits account for 75 percent of the total volume and 96 percent of the number of accounts. Individual deposits represent a greater share of deposit volume than do firm deposits in banks (73 percent) and in nonbank financial institutions combined (86 percent).

ACCESS TO CREDIT SERVICES

Number of loan accounts broadly stayed unchanged, but lending volumes declined significantly

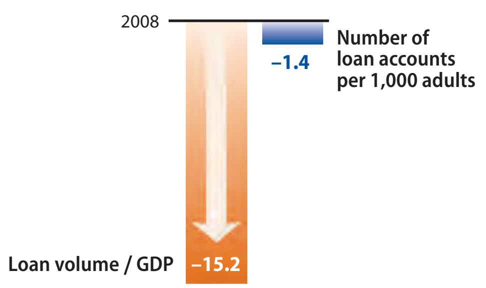
Credit services fared much worse than deposits in 2009. Indeed, the global financial crisis took its toll on access to credit services, with the value of loans as a percentage of world GDP declining from 74 percent to 65 percent.[12] In about 85 percent of economies, loan volume as a share of GDP declined in 2009. At the same time throughout the year, the number of outstanding loans per 1,000 adults remained more or less unchanged. Figure 1.5 plots changes in loan volume and number of outstanding loans in commercial banks.

These averages conceal a substantial degree of variation across economies and regions (figure 1.6). The number of outstanding loans per 1,000 adults decreased in 57 percent of the economies. While the changes are positive on average in the Middle East and North Africa, declines are observed, on average, in Europe and Central Asia and South Asia. All economies in the Middle East and North Africa, except for Israel, have undergone expansions in the number of outstanding loans. Conversely, all economies in Europe and Central Asia, except for Albania and Turkey, have had contractions in the number of outstanding loans.

FIGURE 1.5

Loan volume of commercial banks fell by 15% in 2009

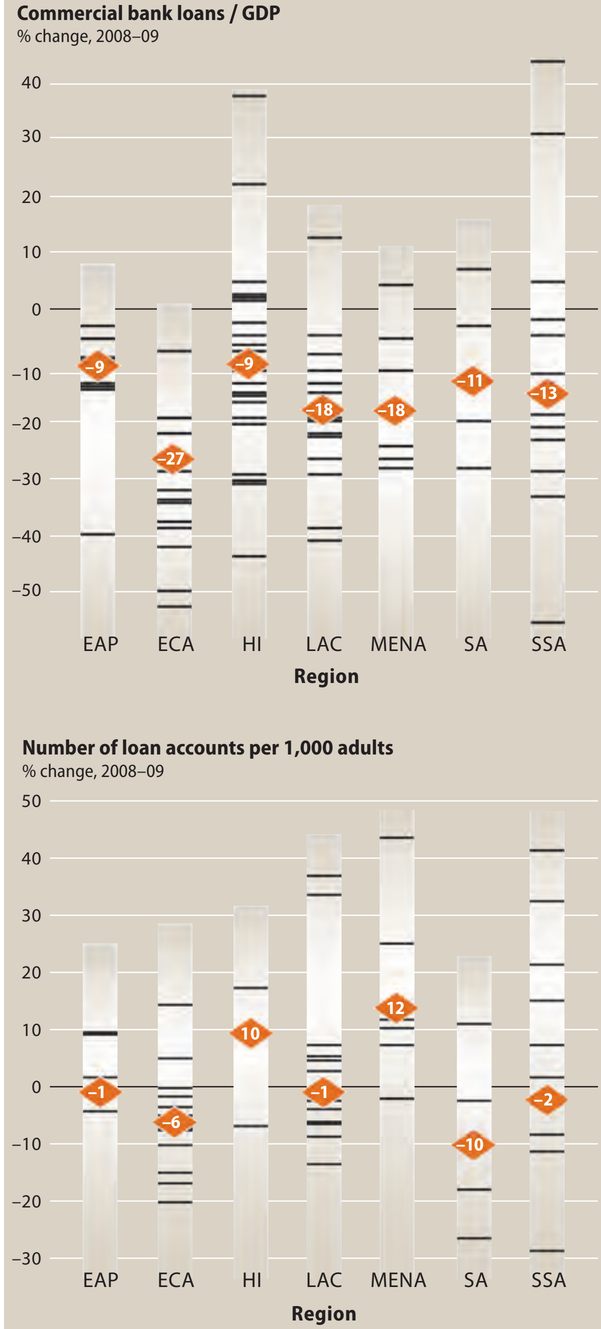
% change, 2008–09



Source: Financial Access database.

FIGURE 1.6

Changes in volume and number of loans vary widely across regions

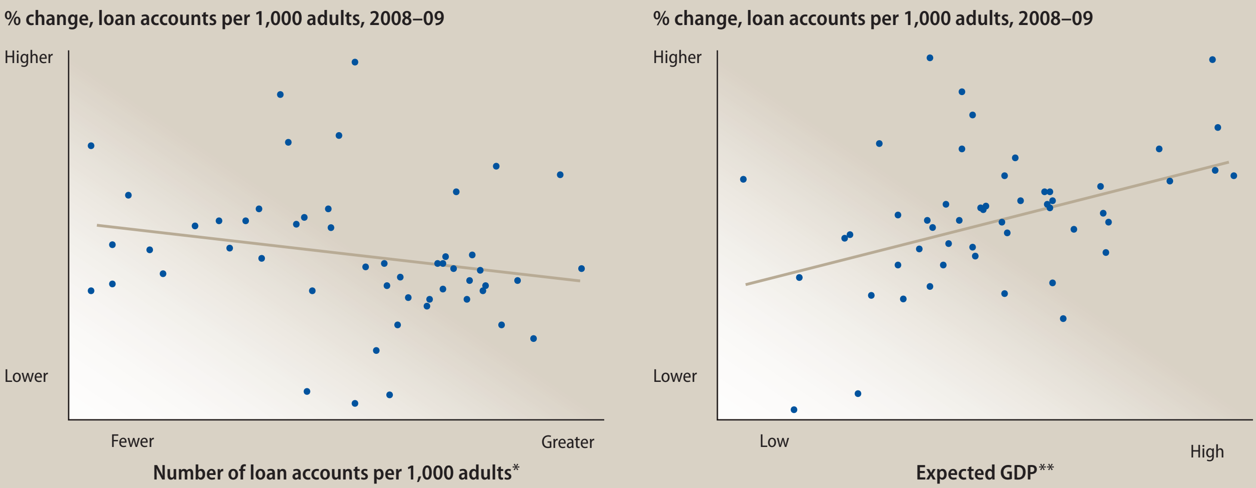


Source: Financial Access database.

Note: EAP=East Asia and the Pacific region, ECA=Europe and Central Asia region, HI=High-Income OECD, LAC=Latin America and the Caribbean region, MENA=Middle East and North Africa region, SA=South Asia region, and SSA=Sub-Saharan Africa region

FIGURE 1.7

Higher growth in loan accounts is associated with fewer accounts and with expectations of economic growth



Source: Financial Access database.

* Correlation controls for expected GDP in 2009. The relationship is statistically significant at the 5 percent level.
** Correlation controls for number of outstanding loans per 1,000 adults in commercial banks. The relationship is statistically significant at the 5 percent level.

The differences in median changes in commercial bank loan volume (as a percentage of GDP) show less variation across economies than median changes in the number of loans. Loan volume as a percentage of GDP dropped in all regions. Europe and Central Asia, heavily affected by the financial crisis, suffered a sharp decline in loan volume, with all the economies in the region for which data are available experiencing drops in loans-to-GDP ratios ranging between 19 percent and 52 percent. The hardest hit country in the region is Tajikistan, where loans declined from 18 percent of GDP to less than 9 percent. Even in Belarus, where the decline seems more modest, the loans-to-GDP ratio fell from 47 percent to 38 percent.

Macroeconomic stability and economic growth are critical for the expansion of credit

What factors are associated with changes in credit services in 2009? Economies with higher expected GDP levels are more likely to experience an increase in the number of loans per 1,000 adults.[13] This also means that economies where macroeconomic expectations are negative are more likely to experience decreases in loan numbers as demand shrinks and banks tighten supply as credit quality deteriorates. Increase in loan penetration is larger for economies with a smaller number of outstanding loans to start with, indicating that even after controlling for expected GDP—a proxy for macroeconomic stability—access to credit continues to expand. The implications of these results are twofold. First, similar to deposit services, there is evidence that access to financial services is improving. Second, macroeconomic stability is fundamental for access to credit services (figure 1.7).

Macroeconomic factors, physical infrastructure, and the structure of financial markets are correlated with loan penetration level

Cross-country analysis using the data on the level of credit indicators in *Financial Access 2010* is broadly consistent with earlier research.[14] Loan penetration, measured by the number of loan accounts per 1,000 adults, is positively associated with GDP per capita; population density; branch penetration; physical infrastructure indicators, such as phone lines per capita; and financial infrastructure, such as credit information and creditor rights.

The link between loan penetration and banking sector concentration is negative, indicating that more competitive banking markets have higher levels of credit access. Better creditor rights and comprehensive credit information systems are associated with greater access to financial services. There is also a positive link between the existence of explicit deposit insurance and loan penetration. Similar to the effect of credit rights on deposits, this indicates that to improve access to financial services, a favorable business climate that supports both deposit and loan services is essential. Sustainable improvement in access to credit is possible only if sustainable financial institutions are able to effectively manage both the asset and liability sides of their balance sheets.

Banks versus nonbanks in access to credit services

Credit services are typically less regulated than deposit services, with unregulated credit grantors providing a substantial but often unaccounted-for portion of the credit volume in many economies. As a result, it is more difficult to estimate overall number of credit users than the number of depositors.

Comparison of the data provided by regulators on loans granted by banks and nonbanks is difficult for the same reasons highlighted earlier with regard to deposit services. The subset of economies with comparable data on the number of loans includes only 19 economies.[15] The numbers are even smaller for specialized state financial institutions and microfinance institutions: 15 and 7 economies, respectively. In all cases, average percentage change in the number of loans is not statistically significantly different from zero, similar to commercial banks.

PHYSICAL OUTREACH

Physical outreach of the financial system expanded in 2009

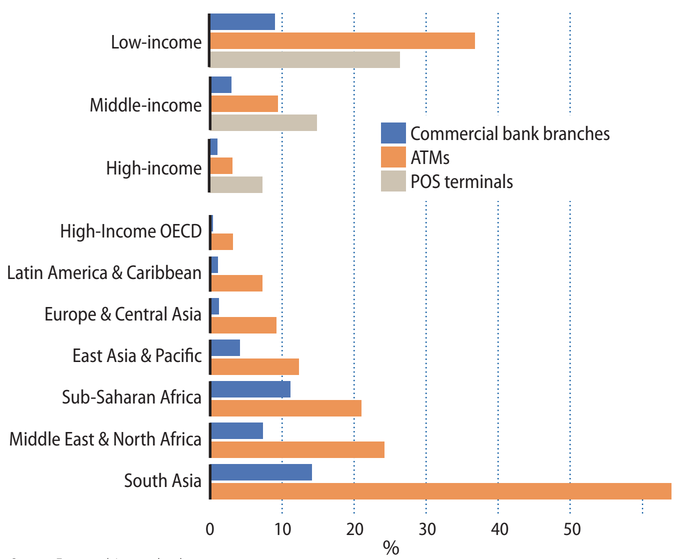
Global retail networks, consisting of financial institution branches, ATMs, and POS terminals, expanded last year. In 2009 the world on average added about one bank branch, five ATMs, and 167 POS terminals per 100,000 adults.[16] This growth was not universal, however. The number of bank branches decreased in 43 percent of economies, about half of which are high-income and Eastern European economies. The number of ATMs decreased in 16 out of 104 economies, and the number of POS terminals decreased in 13 out of 77.

Growth in the retail network varied across regions and income groups. Low-income countries show the highest rates of growth in the number of bank branches, ATMs, and POS terminals, which is another sign of improved access to financial services. Africa, South Asia, and the Middle East, the regions with the lowest levels of retail network outreach, show higher rates of growth in the number of bank branches and ATMs (figure 1.8).[17]

FIGURE 1.8

Retail networks grew fastest in low-income countries and in regions with limited retail network coverage

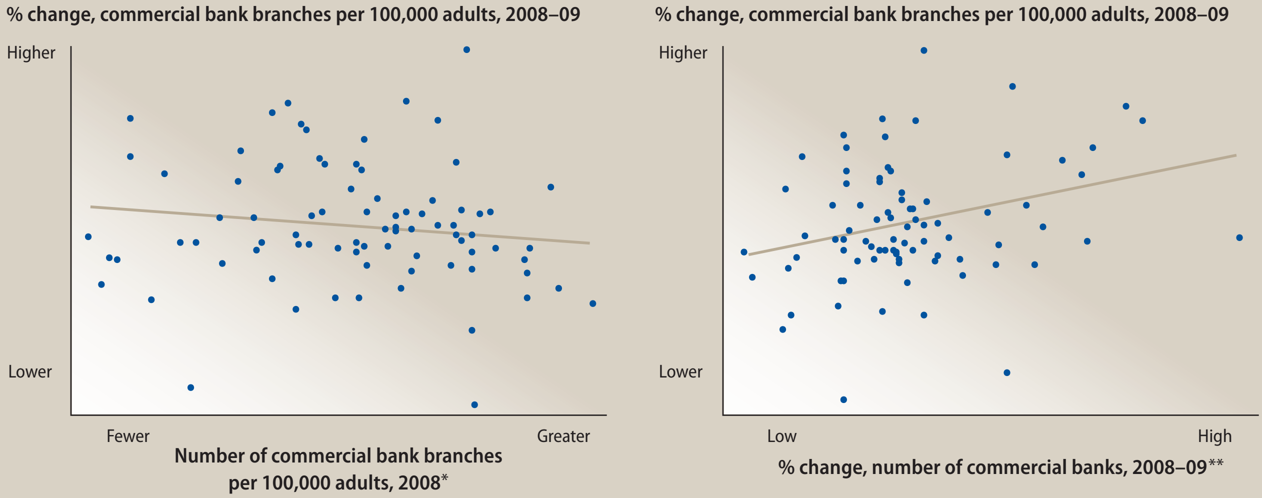
% change in the number of commercial bank branches, ATMs, and POS terminals, 2008–09



Source: Financial Access database.

FIGURE 1.9

Bank branches increased most in less developed networks and where new banks entered the market



Source: Financial Access database.

* Correlation controls for number of commercial banks in 2008. The relationship is statistically significant at the 5 percent level.

** Correlation controls for number of commercial bank branches per 100,000 adults in 2008. The relationship is statistically significant at the 5 percent level.

The growth in low-income countries starts from a low base, especially for ATM and POS numbers, and the increase in coverage is less pronounced. For example, a 27 percent increase in the number of ATMs in Malaysia translates into an increase in coverage by more than 10 ATMs per 100,000 adults, but an equivalent percentage change in Kenya adds only 1.6 ATMs per 100,000 adults. At the extreme, Burundi doubled the number of ATMs but still has only about 0.08 ATMs per 100,000 adults—a total of four ATMs in the entire country. Less dramatic examples are Syria (with 366 ATMs) and Malawi (with 203 ATMs)—both doubled the number of ATMs, resulting in coverage of 2.6 ATMs per 100,000 adults. Overall, patterns of retail network outreach are broadly unchanged.[18]

More banks and higher expected economic growth are associated with more retail locations

Overall, the growth rate in the number of bank branches, ATMs, and POS terminals in 2009 was negatively correlated with income levels. Poorer economies added branches, ATMs, and POS terminals at a faster rate. For the most part, this meant that the economies with less developed retail networks were able to improve outreach (figure 1.9). This relationship is particularly strong in cases of POS terminal growth.

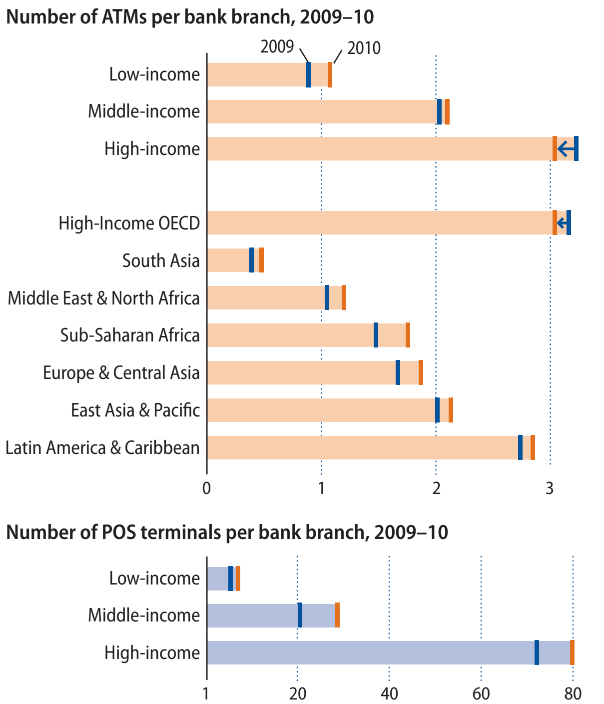
The expected rate of economic growth and the change in the number of banks are strongly correlated with the change in the number of bank branches and ATMs. This indicates that the entry of new institutions may significantly improve geographical outreach of the system. Of course this also means that when banks close, branches close, too. Economies experiencing a decrease in economic growth as a result of the financial crisis are also the ones showing large decreases in the number of bank branches. The number of bank branches decreased by 218, or 0.54 per 100,000 adults, in Ukraine; 292, or 0.24 per 100,000 adults, in the Russian Federation; and 41, or 3.5 per 100,000 adults, in Estonia.

New technologies enable expansion in outreach through nonbranch retail locations

Despite the fast growth, the numbers of ATM and POS networks remain small relative to branch networks in low- and middle-income countries (figure 1.10). In 2009 the average number of ATMs exceeded the number of bank branches in low-income countries for the first time, but just barely. There are two ATMs per bank branch in middle-income countries and three per bank branch in high-income countries. In South Asia the ratio is the lowest—on average there is one ATM for two bank branches. It is important to note that a greater number of ATMs does not automatically translate into better access. Lack of interoperability in the system, for example, requiring each bank to build its own ATM network, raises overall cost.[19]

As new technologies evolve, the trends in the use of ATMs and POS terminals are changing. Data from the *Financial Access 2010* survey show that the number of ATMs relative to the number of branches slightly declined in high-income countries. At the same time, the number of POS terminals increased, reflecting a growing reliance on noncash payments. A greater use of electronic transactions through Internet and cell phones may also reduce the need for ATMs going forward. For now, though, as cash remains the main medium of exchange for retail transactions in most economies, cash-in-cash-out points, whether in the form of branches, ATMs, or POS terminals allowing cash-back, are essential elements of financial access.

FIGURE 1.10
Low- and middle-income countries have fewer ATMs and smaller POS networks in relation to the number of branches



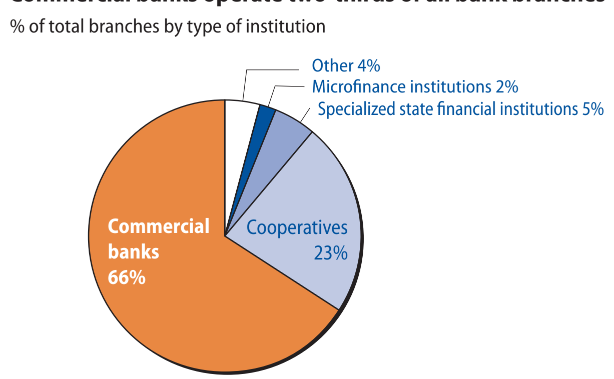
Source: Financial Access database.

Banks versus nonbanks

Worldwide, commercial banks have the largest branch network, representing more than two-thirds of all branches. Cooperatives are the second largest with 23 percent of branches worldwide (figure 1.11). In 60 percent of economies with available data (54 out of 90), nonbanks had less than half the number of branches of commercial banks. According to the *Financial Access 2010* data, the number of cooperative branches exceeds the number of bank branches in only a few countries, namely Austria, Burundi, Germany, Hungary, Korea, and Spain. Figure 1.11 likely underestimates the size of the nonbank branch network because of data limitations for nonbanks, though this year's survey indicates improvements in a number of economies on data availability.

Commercial banks mainly target urban areas. Most bank branches are located in urban areas, representing 88 percent of all financial institutions in urban areas. On average, only 26 percent of all bank branches are in rural areas, compared with 45 percent for cooperatives, 38 percent for specialized state financial insti-

FIGURE 1.11
Commercial banks operate two-thirds of all bank branches



Source: Financial Access database.

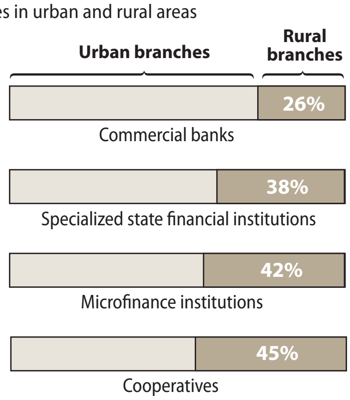
tutions, and 42 percent for microfinance institutions (figure 1.12). Even though a smaller share of commercial bank branches is located in rural areas, they still provide the bulk of rural coverage.

Data limitations discussed earlier do not allow for a robust analysis of changes in bank versus nonbank branch networks. For a small subset of economies with comparable data for banks and nonbanks (61 economies), there is no statistically significant difference in the growth rate of bank and nonbank branches.

FIGURE 1.12

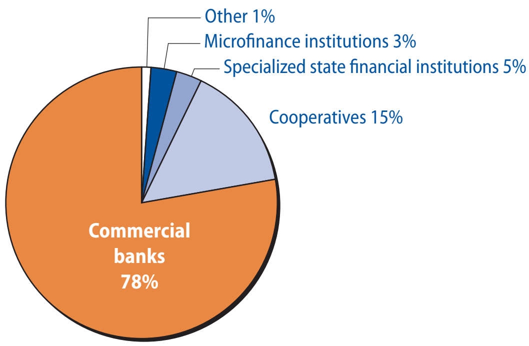
Nonbanks are more focused on rural areas…

% of branches in urban and rural areas



…but commercial banks are still the most prevalent financial institution in rural areas

% of rural branches by type of institution



Source: Financial Access database.

NOTES

1. Collins et al. (2009).
2. For example, Beck, Demirgüç-Kunt, and Levine (2007), using cross-country data, find a positive relationship between financial depth and the change in the income share of the poorest. They also report evidence for finance reducing inequality. An ideal experiment in analyzing the impact of reducing the inequalities in household access to finance on poverty would require household-level panel data collected over a period, which is yet unavailable.
3. For details of the methodology, see the Methodology section and Beck, Demirgüç-Kunt, and Martinez Peria (2007). See Ardic, Heimann, and Mylenko (forthcoming) for estimation results. Also see Honohan (2008) for the difficulties involved. Household survey data on access to financial services comes from recent Living Standard Measurement Surveys (various years) where available, as well as regional sources: for the European Union, the European Commission's Eurobarometer, Special Barometer 260 (2007); for Africa, FinMark Trust's FinScope; for Latin America, Tejerina and Westley (2007) and the MECOVI database and Barr et al. (2007); and Nenova et al. (2009). These data are referenced and expanded upon in Claessens (2006), Honohan (2008), Gasparini et al. (2005), and Beck, Demirgüç-Kunt, and Martinez Peria (2007). Note that predictions may not perform well in the high end and low end of the distribution.
4. See *Financial Access 2009* for a discussion and literature review on various approaches to measurement of financial access.
5. Expected growth in real per capita GDP. Source: IMF (2010).
6. The calculations are done for 97 economies for which data are available in both the *Financial Access 2009* and *2010* databases. For example, China is not among these economies because Chinese data are not available in the *Financial Access 2009* database.
7. Access to deposit and credit services in this report is measured by the number of deposit accounts per 1,000 adults and the number of outstanding loans per 1,000 adults, respectively. The report defines an expansion in financial access as more individuals and firms using more financial services and products. An increase in the number of accounts could be due to more individuals/firms opening accounts or to the same or even a smaller number of account holders opening more accounts. The data do not allow one to distinguish between these two dimensions because of lack of information on the number of unique deposit account holders. See Kendall, Mylenko, and Ponce (2010) for further details. Reported statistics are calculated for a subset of economies with comparable data in 2009 and 2010, excluding economies with data inconsistencies resulting from institutional reclassifications or improved data availability.

8. Source of forecasts: IMF (2010). Expected real growth is an indicator variable for positive real per capita GDP growth in 2010. A number of other macro and policy environment variables were tested and showed weak correlations after controlling for income per capita. See Ardic, Heimann, and Mylenko (forthcoming) for estimation results and further details.
9. For a comprehensive account of the literature, see Demirgüç-Kunt, Beck, and Honohan (2008); for recent analysis see Kendall, Mylenko, and Ponce (2010).
10. The strength of legal rights for borrowers may also proxy for more general legal protections in the system, including those of depositors' rights.
11. See, for example, Demirgüç-Kunt and Huizinga (1999). Note also that a higher degree of competition and lower concentration are not necessarily the same; concentration is only one dimension of competition and hence used as a proxy for competition.
12. Source: *Financial Access* database. Figures are calculated for those economies for which data are available for the two consecutive years in the database. For example, China, Japan, and the United States were excluded in calculations because of a lack of data on the number of outstanding loans.
13. Source of expected GDP: IMF (2010). See Ardic, Heimann, and Mylenko (forthcoming) for estimation results and further details.
14. See *Financial Access 2009* or Kendall, Mylenko, and Ponce (2010).
15. The subset excludes economies with structural data breaks because of substantial institutional reclassifications or additional data provided in 2010 that was not available in *Financial Access 2009*.
16. Estimates exclude China because of lack of data on the number of branches, ATMs, and POS terminals. The POS estimate is based on a smaller number of economies.
17. A smaller number of observations is available for POS terminals, making regional comparison difficult.
18. This analysis does not tell whether the new branches, ATMs, and POS terminals are in locations where they did not exist earlier. Ideally, to measure the outreach of the financial system, one would use data on the geographic location of these new branches, ATMs, and POS terminals.
19. See, for example, Saloner and Shepard (1995) and Prager (1999).

FINANCIAL INCLUSION MANDATES

A broad array of actions can contribute to increasing financial inclusion, from establishing a credit facility for indigenous farmers in rural areas to introducing broad consumer protection legislation. Some actions are more narrowly focused on regulators' traditional roles of regulation and supervision, while others are more promotional in nature. A number of government agencies are usually involved in efforts to deepen financial inclusion, each with its own mandate.

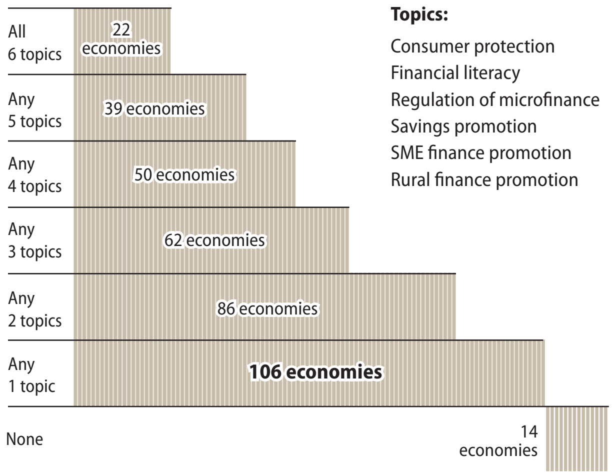
Historically, the main role of the financial regulator has been to ensure the stability of the financial system, focusing on regulation and supervision for the safety and soundness of financial institutions. With many economies embracing financial inclusion as a reform objective and putting in place programs to expand financial access, some regulators are playing a more promotional role as well. However, recent financial crises underscored the dilemma of choice between encouraging financial sector growth, especially credit, and maintaining the stability of the financial system. Several important questions arise. To what extent, if at all, should financial regulators be tasked to improve access to financial services? Are the goals of financial sector stability and financial inclusion compatible? Which government agency should be responsible for implementing financial inclusion reforms?

Answering all these questions is beyond the scope of this report. Instead, *Financial Access 2010* aims to inform the debate by presenting the results of the survey of financial regulators on their role in financial inclusion reform and the resources allocated to it.

The *Financial Access 2010* survey asked financial regulators which of the following topics relevant for a financial inclusion agenda were under the purview of their agency: consumer protection, financial capability,[1] regulation of microfinance, promotion of savings, promotion of access to finance for SMEs, and promotion of rural finance.[2]

FIGURE 2.1

In most economies regulators are responsible for at least one topic related to financial inclusion



Source: Financial Access database.

In 88 percent of economies, regulators responded that at least one element of financial inclusion comes under their responsibility, 71 percent stated that they have at least two topics covered, and about half had three topics (figure 2.1). In 18 percent of the economies, all these elements of financial inclusion are within the financial regulator's mandate.

Clearly, at least some aspects of the financial inclusion agenda are under the purview of the financial regulators in most economies. But the focus is different in high-income countries versus low- and middle-income countries. In high-income countries, where financial systems already cover most of the population, regulators tend to focus on consumer protection and financial literacy. In low- and middle-income countries, the agenda is much broader and includes promotion of financial access, in addition to consumer protection and financial literacy.

Which areas of financial inclusion fall under the responsibility of the financial regulator?

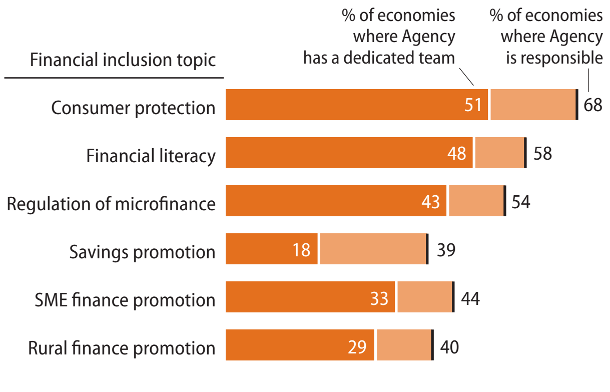
Consumer protection and financial literacy are the two areas most frequently reported to be under the financial regulator's set of responsibilities. Sixty-eight percent and 58 percent of regulators, respectively, reported that these areas are within their mandate (figure 2.2). Often consumer protection falls within the broader mandate of ensuring soundness and stability of the financial system through business regulation and supervision. Consumer protection and financial literacy are equally relevant in both developed and developing markets, as available products become more complex and affect more people.

Financial education is closely related to consumer protection in that it also aims to protect the consumer from abusive practices, but from a different angle. Financial literacy refers to the need to inform the public about the basics of financial services and ensure individuals' ability to make informed judgments and effective decisions about the use and management of their finances.

However, financial capability has different operational implications for the financial regulator than consumer protection. Consumer protection is often implemented through market conduct regulation and supervision as part of traditional regulatory and supervisory activities

FIGURE 2.2

Which areas of financial inclusion are most frequently the regulators' responsibility?

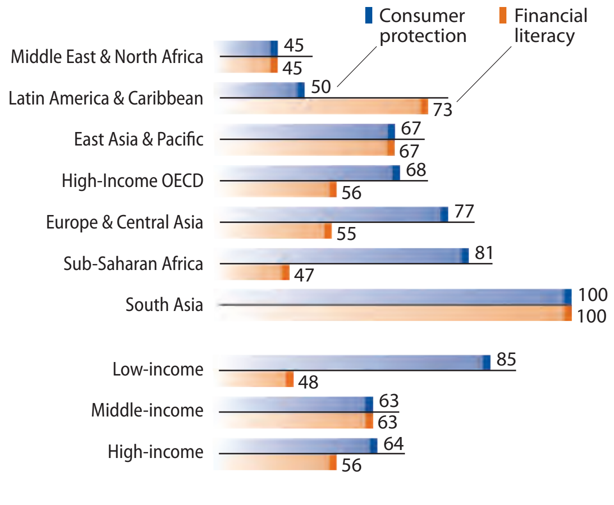


Source: Financial Access database.

FIGURE 2.3

Where are regulators responsible for consumer protection and financial literacy?

% of economies

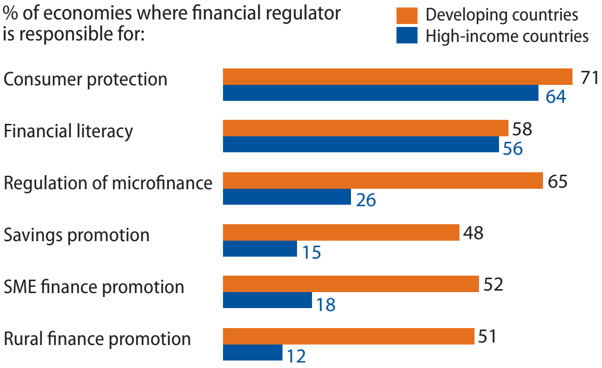


Source: Financial Access database.

the financial regulator undertakes on a regular basis for other topical areas. Promoting financial capability, on the other hand, requires different skill sets and operations. Consequently, although many economies report interventions in financial capability as part of the regulator's priorities, there is a great deal of diversity among the types of activities carried out. Approximately half of the economies in *Financial Access 2010* report having a team allocated to financial literacy, although in many cases, such teams are not allocated full-time to advancing this topic. In Sweden, for example, the financial education team is part of the communications team within the financial regulator. In fact, only a third of the teams are stand-alone financial literacy units. Seldom is the full design and implementation of financial literacy programs conducted entirely by the financial regulator. Peru is one of the few economies where the regulator is fully committed to financial education programs. Within the framework of Peru's financial education plan, the Division of Products and Customer Care has implemented a wide array of activities, from information campaigns to education of schoolteachers and creation of virtual classrooms on its Web site. The United Kingdom stands out as well with an entire division allocated to financial capability.

FIGURE 2.4

Developing countries are more likely to focus on a broad range of financial access issues



Source: Financial Access database.

Financial literacy programs are more commonly cross-cutting initiatives, spanning several departments within the financial regulator, as in Brazil, or several government agencies, including ministries of finance, superintendents, or deposit insurance agencies, as in El Salvador. The role of the regulator can therefore be one of coordination, consultation with private partners and financial institutions, or, less frequently, implementation. Regulators in low-income countries, where the need is probably the greatest, are generally less likely to include financial literacy as one of their areas of responsibility (figure 2.3).

Promotion activities and regulation of microfinance are the priority for regulators in developing countries

Regulators in low- and middle-income countries, where financial access remains limited, are more likely than high-income countries to have the responsibility for promotional activities linked to financial inclusion, such as creating incentives for savings or outreach to rural areas. These activities are in addition to roles found among high-income countries of putting in place measures for consumer protection and financial capability (figure 2.4).

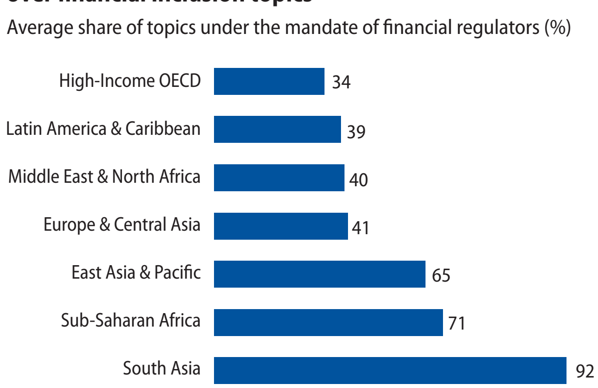
Regulation of microfinance, promotion of savings, and improvement of access to finance for SMEs and in rural areas are topics that are closely linked to developing countries' policy objectives. Of these, regulation of microfinance is the next most frequent item after consumer protection on a financial regulator's list. As the microfinance industry has matured, professionalized, and experienced sustained growth, it is increasingly becoming an important part of the financial sector in many economies. In 65 percent of developing countries, the main financial regulator reported regulation of microfinance to be within its mandate.

Promotion of savings, SME finance, and rural finance are more frequently reported as areas of responsibility of the financial regulator in developing countries than in high-income countries. About half of regulators in developing countries say that these issues are part of their agenda, compared with less than 20 percent in high-income countries.

East Asia and the Pacific, South Asia, and Sub-Saharan Africa place the most financial inclusion topics under the responsibility of the financial regulator (figure 2.5). This is also true for savings, rural finance, and SME finance promotion. In East and South Asia, the role of financial regulators is more focused on promotion of economic growth. In some economies such as

FIGURE 2.5

South Asian economies give regulators a greater mandate over financial inclusion topics



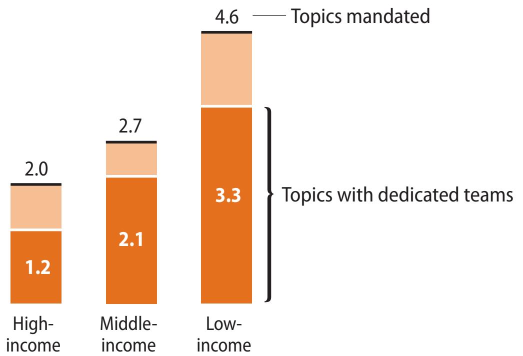
Source: Financial Access database.

the Philippines, entire units are allocated to financial inclusion, and financial inclusion is at the core of their agenda. Other central banks take financial inclusion one step further and formally recognize it in their charters. Bank Negara Malaysia's role in promoting inclusive financial systems is explicitly articulated in the legislation as one of the primary functions of the central bank.

What resources are allocated to implementing the financial inclusion agenda?

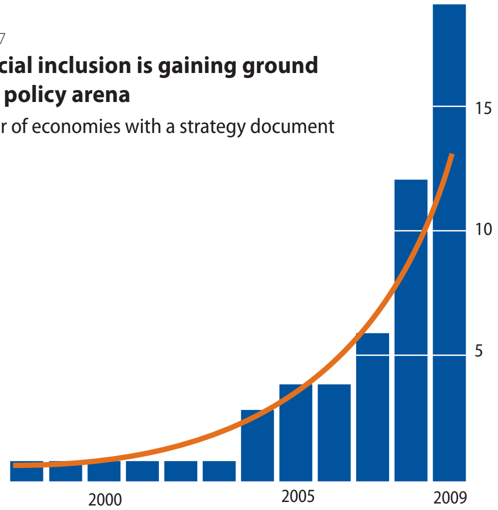
More often than not, financial regulators are mandated by their governments to tackle one or more aspects of financial inclusion. To implement this broad agenda, the regulator requires staff and resources. *Financial Access 2010* surveyed regulators on whether they had specific teams, units, or departments allocated to each of the financial inclusion topics they had under their purview. Figure 2.6 summarizes this information. It appears that the commitment to reform is not always matched by allocated staff. For example, for savings promotion and rural finance promotion, for which 49 and 52 economies, respectively, reported these areas as being under their responsibility, only 47 and 71 percent, respectively, had teams assigned for those areas. Low-income countries have more resources allocated to the work on financial inclusion, but given the breadth of their agenda, they also have a larger resource gap.

FIGURE 2.6
Resource gap is greater in low-income countries
Average number of topics



Source: Financial Access database.

FIGURE 2.7
Financial inclusion is gaining ground in the policy arena
Number of economies with a strategy document

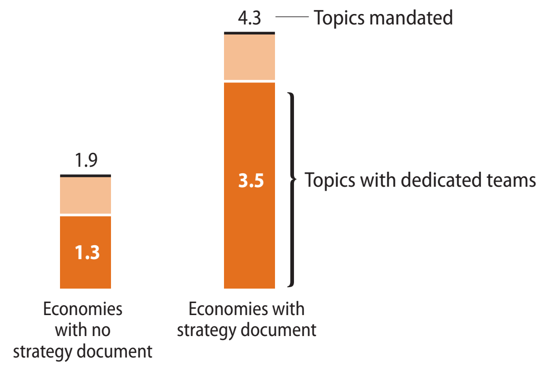


Source: Financial Access database.

Strategy document for financial inclusion

One approach to the implementation of financial access reforms is through a comprehensive financial inclusion strategy. Forty-five percent of economies in *Financial Access 2010* report having a strategy document for the promotion of financial inclusion, with 91 percent of them dating from 2004 or later (figure 2.7). Not surprisingly, regulators with a financial inclusion strategy are more likely to have more financial inclusion topics under their purview and more resources and staff allocated to working on these matters. They also have a relatively lower resource gap (figure 2.8).

FIGURE 2.8
Strategic approach translates into a broader agenda and more resources
Average number of topics



Source: Financial Access database.

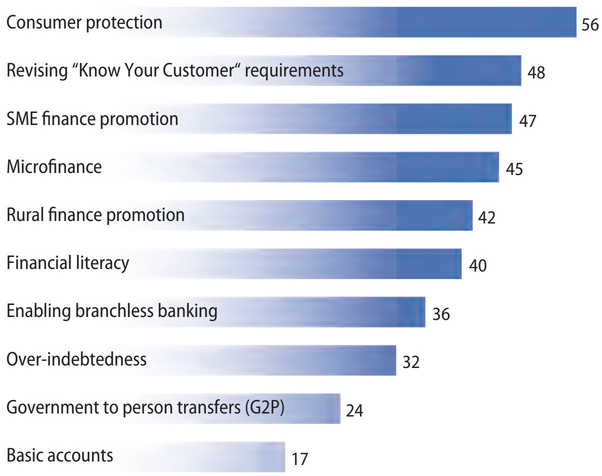
Financial inclusion reforms

What were the main areas of reform in financial inclusion in 2009? Reported reforms vary greatly, from setting up task forces and working groups to drafting strategies or legal text, to enacting them into legislation and to final implementation and enforcement. Despite this great variance in the nature of reforms, reforms reported were weighted equally for the purposes of analysis and comparison in *Financial Access 2010*.

Consumer protection is the most prevalent area of reform across all regions (figure 2.9). Sixty-five economies reported reforms in this area. It is also the only reform area in which high-income countries lead, highlighting the importance of consumer protection beyond the specific issue of access, especially in the past year when financial supervisors were implementing reforms to deal with the effects of the global financial crisis and to ensure the soundness and stability of the financial sector. The most common reform within consumer protection is disclosure requirements, cited by 10 economies. Next are reforms linked to putting in place recourse mechanisms, complaint handling, and dispute resolution systems, reported by nine economies. Three countries—Austria, New Zealand, and Australia—list the extension of deposit insurance as a reform under consumer protection; another three countries—the Czech Republic, Finland, and Algeria—focus their reform energies on fraud protection. Many economies are in the early stages of preparing strategy documents on consumer protection reform.

For consumer protection to be effective, clients need to understand the basic characteristics and functions of the products offered to them. Yet according to the *Financial Access 2010* survey, financial literacy is a much less common area of reform. Only 40 percent of economies enacted reforms in this area last year. Reforms range from creating or updating financial education school programs, as in Argentina and New Zealand, to establishing financial literacy weeks and launching financial learning centers. Some economies are just starting to tackle this issue by drafting strategy and national programs to be implemented at a later stage. Some regulators post a variety of learning materials on their Web sites. In Peru and Lesotho, regulators chose to do broad advertising campaigns informing the population at large of the benefits and risks of financial products.

FIGURE 2.9
What do economies reform?
% of economies that reformed by area of reform



Source: Financial Access database.

Thirty-eight economies report specific reforms related to consumer overindebtedness in 2009. Overindebtedness is the result of both demand and supply forces. Reducing the number of consumers who borrow beyond their means can partly be addressed by enhanced disclosure requirements and consumer education. On the supply side, regulators may choose to require stricter risk management and to improve transparency in credit markets. Survey respondents indicate that the most frequent measure taken to combat excessive lending and overindebtedness is related to credit bureaus and credit registries. More than 15 economies report modernizing or establishing credit bureaus as a way to monitor and prevent excessive lending. Some economies, such as Portugal, have passed legislation to make credit bureau consultation mandatory; other economies, such as Rwanda, now require financial institutions to report information to the credit bureau.

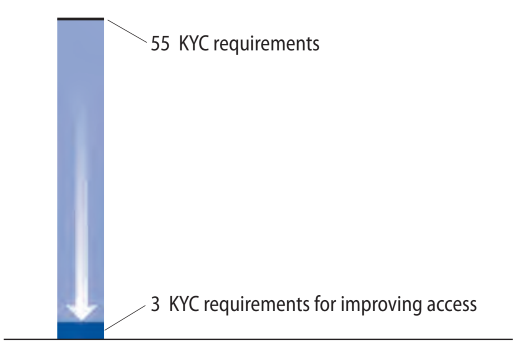
Panama, Syria, and Liberia report establishing quantitative restrictions limiting loan sizes with respect to a borrower's income. The practice of quantitative restrictions on consumer credit was reviewed in *Financial Access 2009*. To date, there is no robust assessment of the effectiveness of this measure, although experience with other quantitative caps indicates that these policies are hard to enforce and are rarely effective.

In recent years many economies have put in place strict "know your customer" (KYC) requirements. These rules are designed to ensure that the financial system is not used for illicit purposes, such as money laundering and terrorist financing. These rules often have the unintended consequence of limiting access to financial services for the poor, who may not have the required documentation available to open an account.[3] In the *Financial Access 2010* survey, 48 percent of economies report revising their KYC requirements. However, few economies actually did so with a financial inclusion focus. In most cases, countries' efforts have been geared toward updating, improving, or amending their anti-money-laundering/combating the financing of terrorism legislations and procedures. But three economies reformed in this area with financial access concerns in mind, to achieve higher participation rates: Afghanistan reformed with regard to branchless banking KYC requirements; Colombia relaxed its KYC requirements for opening electronic savings accounts; and Ghana reduced its requirements for low-value transactions (figure 2.10).

FIGURE 2.10

Many reformed KYC regulations but few reforms improved financial access

Number of economies that reformed

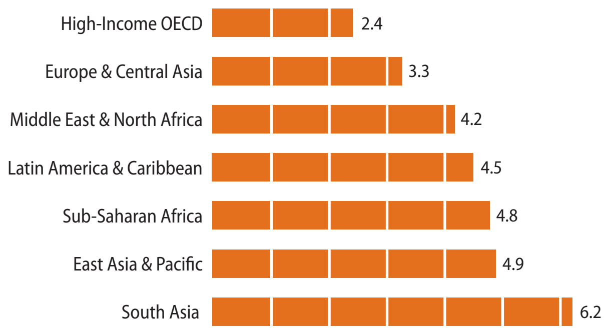


Source: Financial Access database.

FIGURE 2.11

Where are economies reforming the most?

Average number of reforms, 2008–09



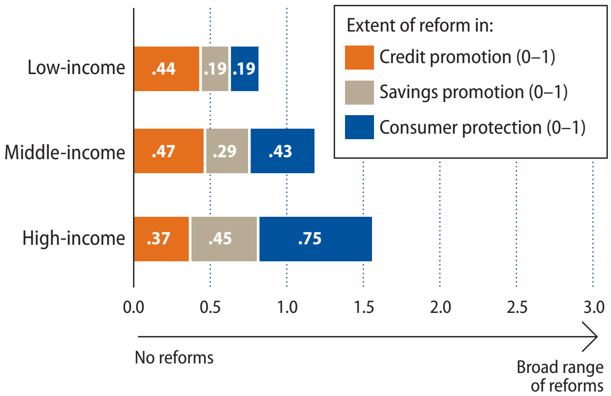
Source: Financial Access database.

In times of economic slowdown, governments tend to focus on policies that can help create jobs. Reforms aimed at improving access to finance for SMEs constitute the third most popular area of reform after consumer protection and KYC requirements. Forty-seven percent of economies indicate that they implemented reforms in this area in 2009. Fifteen of those economies focused on the set-up or expansion of credit guarantee schemes. Other countries, such as Oman and Zimbabwe, have taken softer approaches, including encouraging banks to increase their lending to the SME sector. Some regulators, such as those in Sri Lanka, require banks to direct a designated minimum amount of their portfolios to SMEs.

Across regions, South Asia and East Asia and the Pacific introduced the most reforms, followed by Sub-Saharan Africa. Europe and Central Asia and high-income countries had fewer reforms in financial access (figure 2.11). Not surprisingly, regions that include financial access in their strategies and mandate their financial regulators to carry out such agendas are also the regions that reformed the most. Pakistan and India lead the way for South Asia with six and seven different areas of reform, respectively. The three economies

FIGURE 2.12

Reform priorities differ by income group



Source: Financial Access database.

reporting the highest number of reforms, with 10 different areas of reform each, are the Philippines, Malaysia, and Nigeria. Once again, all their central banks have special access to finance units.

Overall, low-income countries, where needs are the greatest, reformed more actively and focused more on promoting deposit and credit services than high-income countries (figure 2.12). High-income countries, where access to basic financial services is nearly universal, focused more on enhancing consumer protection.

NOTES

1. Throughout the report, financial literacy, financial education, and financial capability are used interchangeably to maintain a broader focus and facilitate cross-country comparison of reforms.
2. These broad categories of topics relevant for the financial inclusion agenda were identified for the purposes of the *Financial Access 2010* survey to enable cross-country comparison. This list does not include the full universe of issues covered by the concept of financial inclusion. The focus on these topics by a financial regulator does not necessarily imply an explicit financial inclusion mandate but may reflect the importance of these issues for implementing financial stability and macroeconomic policy mandates. For example, improvements in financial literacy and consumer protection are expected to improve loan performance, and SME dependence on bank financing can be an important transmission channel for monetary policy.
3. See Genesis Analytics (2008) and Isern and Porteous (2005).

CONSUMER PROTECTION

Consumer protection and financial literacy can contribute to improved efficiency, transparency, competition, and access in retail financial markets by reducing information asymmetries and power imbalances between providers and users of financial services.[1] When customers are better informed about the terms and conditions of financial services, they can shop around, thereby stimulating competition. Informed clients can choose products that best fit their needs and therefore incentivize competing financial service providers to design better products. Knowing that their rights are protected may bring in new customers, especially in markets where financial systems are not trusted for historical reasons.

The recent financial crisis highlighted the importance of effective consumer protection and adequate levels of financial literacy for the sustainability of the entire financial system, particularly in an environment of increasingly complex financial products and services. Lack of effective disclosure and deceptive advertising on the part of providers and failure to understand financial products on the part of consumers contributed to the collapse of the subprime mortgage market in the United States. But the problem is not limited to developed markets with highly complex products. Bosnia and Herzegovina, India, and Morocco saw indebtedness rise to unsustainable levels at times among microfinance borrowers in 2009.[2] Policy makers around the world have responded by introducing financial literacy programs and strengthening financial consumer protection.

The need for consumer protection in the financial industry is not a new concept. Until recently, though, the focus has been on credit transactions, with the basic objective of limiting "harmful" borrowing.[3] Throughout history debt forgiveness, interest rate caps, and outright bans on usury were used to prevent abuse by lenders. This paternalistic approach proved to be unsustainable and difficult to enforce, with consistent evidence of violations of the rules over time.[4] Fundamental changes in thinking in the early 20th century shifted the debate toward the need to empower financial service users, to inform them, and to give them tools to protect their rights. Present-day financial consumer protection frameworks in most economies reflect this approach and rely on fairness and transparency as their core principles.

To inform the ongoing debate on the state of financial consumer protection, the *Financial Access 2010* survey asked financial regulators around the world about the status of financial consumer protection in their jurisdictions. Empirical analysis of the relationship between financial consumer protection, access to financial services, and stability is limited, in large part because of a lack of consistent data on outcomes as well as policies. Statistical analysis conducted for this report indicates a strong correlation between comprehensiveness of consumer protection regulations and the overall level of economic development.[5] Once regressions control for income per capita, no stable statistically significant correlations between various aspects of consumer protection regulation and access outcomes are found. Data limitations and endogeneity issues are inherent in a cross-country regression framework and make it impossible to draw conclusions at this stage. Further research at the micro level is essential to understanding the impact of various consumer protection policies. At the cross-country level, consistent data collection on outcomes and policies over time, including on effective regulation rather than just legislation on the books, should shed light on the long-term relationship among consumer protection, access, and stability.

Financial Access 2010 presents a first-ever overview of a range of consumer protection policies in more than 140 economies and builds a basis for future research. It is a first step to understanding the existing landscape in consumer protection by answering some of the following questions: Do economies have financial consumer protection legislation in place? What are the powers of agencies that are responsible for consumer protection to enforce regulations? And what forms of recourse exist?[6]

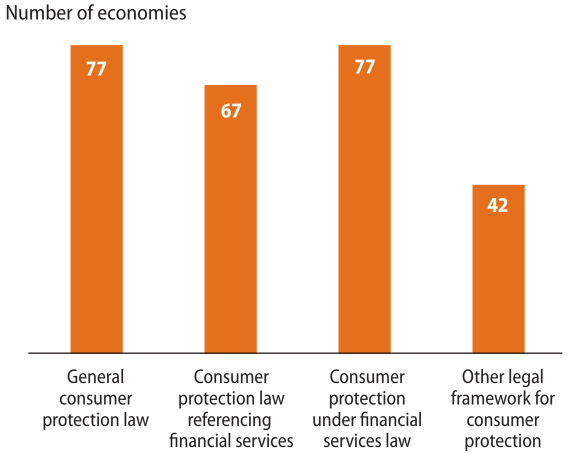
LEGAL FRAMEWORK

Most economies have consumer protection legislation in place, and reforms are widespread

More than 80 percent of economies (118) responding to the *Financial Access 2010* survey have laws and regulations addressing at least some aspects of financial consumer protection. This topic is at the intersection of consumer protection and financial services regulation. Not surprisingly, relevant legal provisions are most often found in broad consumer protection legislation and in financial sector regulations (figure 3.1). Sixty-seven economies are a step further and report having issued consumer protection legislation with specific references to financial services.

FIGURE 3.1

Most economies have laws and regulations addressing financial consumer protection



Source: Financial Access database.

Financial consumer protection provisions are diffused in multiple laws. Of the 118 economies that have some type of consumer protection legislation, 48 percent have both consumer protection legislation and regulations under the financial sector legal framework. In addition, other legal acts on payment systems, credit bureaus, insurance, pensions, and securities may include financial consumer protection provisions. These laws often contain conflicting provisions and create complex oversight and regulatory structures, posing challenges to implementation.[7]

Most of the financial consumer protection legislation were passed in the previous two decades. Rapid expansion of retail financial services and increasing complexity of products mean that financial consumer protection legislation is constantly evolving.

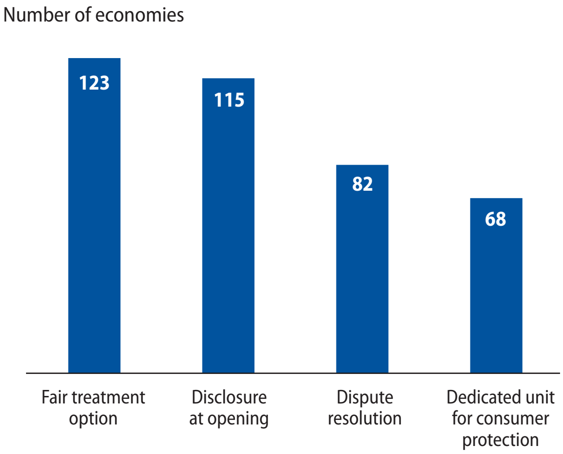
As discussed in the previous section, consumer protection was a popular area of reform in 2009. A number of economies introduced or are about to introduce consumer protection legislation for the first time. At the time of writing, Madagascar's parliament was about to adopt a consumer protection law. In Georgia, a number of projects are under consideration, including disclosure rules, development of a deposit insurance scheme, and credit bureau regulation. Moldova has plans to amend its Law on Consumer Protection to include specific provisions on financial services.

Other economies enhanced existing frameworks and mechanisms. Economies such as Portugal and Bangladesh introduced restrictions on rates and fees. France passed an ordinance establishing a new single regulator for the financial services and insurance industries. The United States and United Kingdom are both moving to create a consolidated financial consumer protection agency.

An effective financial consumer protection framework covers three broad dimensions. First, it protects consumers against unfair or deceptive practices by financial service providers, including in advertising and collections. Second, it improves transparency through a requirement to disclose full, plain, adequate, and comparable information about prices, terms, and conditions of financial products and services. Third, it establishes a recourse mechanism to address complaints and resolve disputes quickly and inexpensively. What consumer protection legal provisions are in place in economies around the world?

FIGURE 3.2

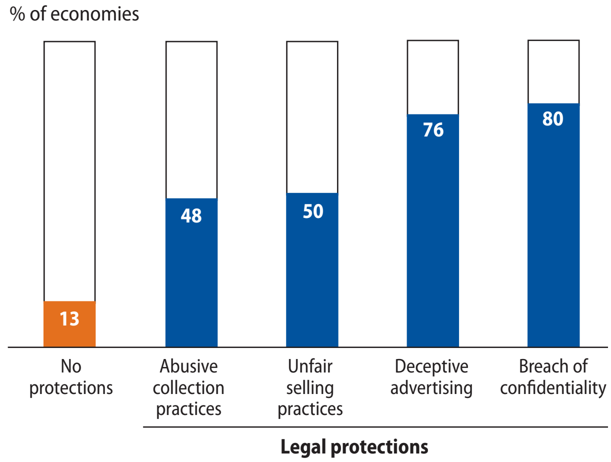
Laws protect consumers in most economies, but enforcement mechanisms are lacking in many



Source: Financial Access database.

FIGURE 3.3

Few economies have legal protections against unfair practices specific to financial services



Source: Financial Access database.

Basic consumer protection requirements are on the books in most economies, but enforcement mechanisms are lacking

Most economies have basic legal and regulatory frameworks for financial consumer protection. In 123 economies (87 percent), at least some fair treatment provisions are covered by the existing legal and regulatory framework, including restrictions on deceptive advertisement, abusive collections, unfair or high-pressure selling practices, and breach of client confidentiality. At least some form of disclosure requirement regarding financial products and services is on the books in 115 economies (81 percent). A much smaller number of economies—only 82 economies or about 60 percent—have a third-party dispute resolution mechanism, such as an ombudsman or a mediation center. And most important, only two-thirds of the 99 financial regulators who said that they are responsible for at least some aspect of financial consumer protection have a designated unit or team to work on these issues (figure 3.2).

Broad fair treatment provisions are in place, but they may not address specific issues in the financial service industry

Among the elements of fair treatment regulations that economies have, the most common are provisions restricting deceptive advertising (76 percent) and breach of client confidentiality (80 percent) (figure 3.3). These provisions are often part of broader legislation. For example, client confidentiality is protected by bank secrecy provisions in most civil law countries and is implied in contractual law in common law countries. Restrictions on deceptive advertisement are often part of general commercial law and basic consumer protection legislation.

But only about half of the economies reporting have provisions restricting unfair and high-pressure selling practices and abusive collection practices. These are important issues, especially given the potential reinforcing link between the two. Customers enticed into borrowing beyond their means are more likely to be the subjects of a collections process.

Regulations in high- and upper-middle-income countries are more likely to include restrictions on all four unfair practices surveyed in *Financial Access 2010*, with an average of 3.4 out of 4 areas included. Low-income countries on average cover only two of the unfair practices surveyed.

The legal framework should provide sufficient protection to ensure fair treatment of financial service customers. Yet 13 percent of economies reported that their legislation does not include any specific fair treatment provisions. And in at least half of the countries, the legislation does not go beyond restricting deceptive advertising and protecting confidentiality. As many economies review their consumer protection legislation and consider revisions, fair treatment provisions relating to collections and high-pressure selling practices deserve consideration.

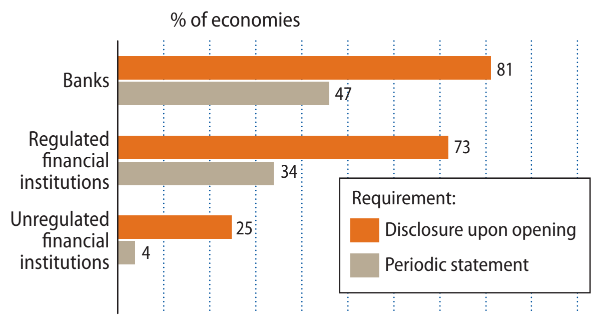
Banks are more likely to be subject to disclosure requirements than other financial institutions, and most disclosure requirements apply at the account opening stage

Disclosure is the cornerstone of the modern approach to consumer protection, focusing on empowering customers. At least in theory, informed consumers should be able to compare offers, make sound financial decisions, and demand recourse when wronged. Thus far, though, empirical evidence suggests that disclosure requirements improve transparency in credit markets more than the financial decisions of borrowers.[8] At the same time, there are indications that disclosure is most effective when financial literacy is high and consumers can understand what is being disclosed—for example, how the interest rates are calculated.[9] Though research on the most effective forms of disclosure is ongoing, there is no question as to whether consumers have the right to know the terms and conditions of the products and services offered.

The *Financial Access 2010* survey covers two broad types of disclosure. The first, known as disclosure upon opening, refers to the requirement to notify consumers in writing of pricing, terms, and conditions of a financial product prior to signing an agreement. The second, periodic disclosure, refers to the requirement to disclose information periodically through an account statement. This second type of disclosure is especially important for products for which the cost of the product depends on the use—for example, credit cards and overdrafts. The survey also asked whether the rules apply to banks, other regulated financial institutions, and unregulated financial institutions.

FIGURE 3.4

Most disclosure requirements focus on opening an account, and seldom apply to nonbanks



Source: Financial Access database.

Two striking results emerge from the survey (figure 3.4). First, most of the disclosure requirements apply only to account opening. Eighty-one percent of economies require commercial banks to disclose information upon account opening, while only about half of them require periodic disclosure. The trend is even more pronounced for other types of financial institutions. In more than half of the countries, clients are not entitled to be updated about the state of their financial accounts. The decision on what and how to disclose to a customer once a product is sold is left up to the financial service provider.

Second, commercial banks are more likely to be subject to disclosure requirements than are other financial institutions, and unregulated financial service providers are rarely subject to disclosure requirements. The survey, however, asked regulators to identify whether disclosure requirements exist at all, not whether it is the central banks or financial regulators' responsibility to implement them. It is possible that respondents were not aware of regulations affecting unregulated institutions. A comprehensive assessment of overall financial consumer protection is needed to evaluate the degree to which disclosure requirements apply to unregulated financial institutions. This finding does confirm the fact that even in economies where financial regulators are involved in financial consumer protection matters, they rarely are tasked to focus on unregulated financial institutions.

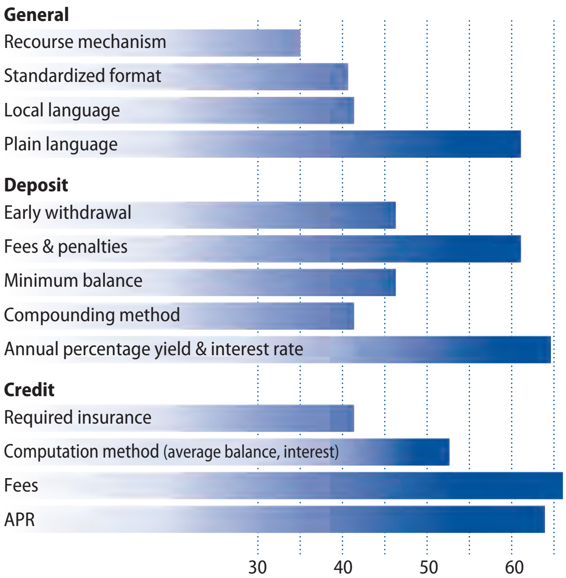
Guidelines for disclosure requirements at account opening are focused on rates and fees

What information must be disclosed upon account opening? According to the *Financial Access 2010* survey, disclosure requirements in most economies are focused on quantitative information, such as rates and fees, and not on explaining to customers how these rates and fees are calculated (figure 3.5). On the deposit side, 65 percent of economies require disclosure of annual percentage yield and interest on deposit products, while 42 percent require an explanation of how it is compounded. On the credit side, 66 percent of economies require disclosure of rates and fees, and 53 percent require an explanation of how the rate is computed.

FIGURE 3.5

Most disclosure requirements for opening an account focus mainly on rates and fees

% of economies with disclosure requirements for opening an account



Source: Financial Access database.

Disclosing rates and fees alone may not be sufficient to enable customers to make informed decisions.[10] To facilitate comparison of financial product terms across institutions, some economies have introduced a standardized disclosure format for general financial products, such as a one-page "Key Facts" document summarizing terms and conditions in a clear and transparent manner. Forty-one percent of economies reporting to *Financial Access 2010* have such a requirement.

And most important, only 35 percent of economies have a requirement to provide information on dispute resolution, raising a question as to the effectiveness of such disclosure.

Periodic disclosure guidelines rarely require information on disputing content of the statements

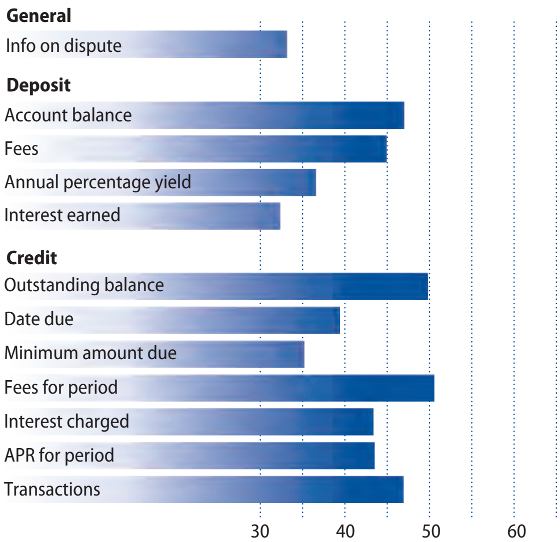
What information is required to be disclosed in periodic statements? According to the *Financial Access 2010* survey, fewer economies have detailed guidelines on the content of periodic statements than disclosure requirements upon opening. The four most common requirements are focused on purely numerical information: annual percentage rate (applied during the period of the statement); interest charged for the period; fees charged for the period; and outstanding balance of credit. One-third of economies require financial institutions to provide information on how to dispute the accuracy of transactions (figure 3.6).

The frequency of periodic disclosure differs across economies. Almost half of the economies reporting require some sort of periodic disclosure. Of those economies, 64 percent require that statements be issued monthly. In 20 percent of economies there is a requirement to issue a statement at least once a year, though the financial service provider may choose to disclose information more frequently.

FIGURE 3.6

Requirements for periodic statements focus mainly on rates and fees

% of economies with disclosure requirements for periodic statement



Source: Financial Access database.

Different types of products may need different frequencies of disclosure. For example, in Malaysia, loan statements have to be provided to customers at least once a year, whereas for deposit accounts, a statement has to be provided at least once a quarter. In Greece, monthly statements must be provided to credit card holders only. In Norway, the law specifies that statements must be provided annually, but the institution is required to provide the customer with a statement more frequently if the account has been in use (credited or debited). As a result, the periodic statement is usually provided monthly.

With modern technology, it is possible to disclose statements via the Internet, which helps to reduce the cost of compliance with disclosure requirements. It is important, though, to ensure that customers have a choice regarding how they receive their statements, whether on paper or electronically.

In addition to requiring disclosure by financial institutions, regulators themselves increasingly take steps to improve transparency in the markets. A number of economies regularly post fees and rates for deposit and credit products on the regulators' Web sites. For example, Bank of Uganda publishes bank charges.

There is no one-size-fits-all solution to the design of a legal framework for financial consumer protection. It should reflect the structure of the financial system and the nature of each economy's overall legal framework. But, in all cases, the process of designing an effective financial consumer protection framework requires a comprehensive approach and consultation among various stakeholders to ensure consistency within laws and regulations. Close coordination is also essential to develop effective oversight and regulatory structures.

INSTITUTIONAL STRUCTURE

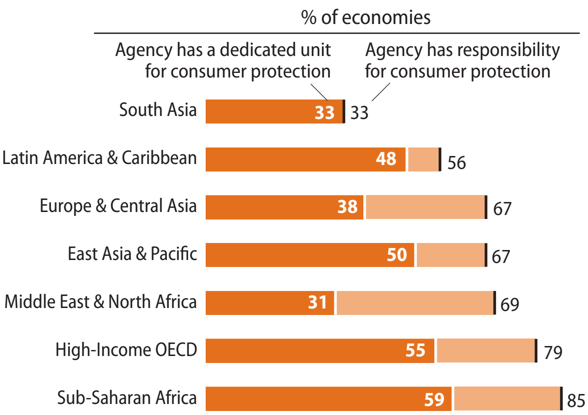
Multiple regulators are involved in consumer protection, and financial supervisors are engaged in a majority of economies

Reflecting the variation in legal frameworks on consumer protection, supervisory and enforcement structures differ among economies. In most cases multiple government agencies are involved in the regulation, supervision, and enforcement of laws related to financial consumer protection. On the one hand, consumer protection agencies, competition authorities, ministries of justice, or ministries of economy may be responsible for implementing broad consumer protection legislation. On the other hand, central banks, bank supervisory authorities, securities commissions, and other financial service regulators are involved in implementing financial consumer protection regulations that apply to the institutions they oversee. Central banks or bank supervisors are responsible for at least some aspect of financial consumer protection in 99 economies (70 percent) reporting to the *Financial Access 2010* survey.

Consumer protection regulators are more likely to take a functional approach with a focus on products and services, regardless of which institutions provide these services. A functional approach applies consumer protection to all financial service providers irrespective

FIGURE 3.7

Agencies responsible for consumer protection often lack a dedicated unit or team



Source: Financial Access database.

of their institutional type (i.e., bank or nonbank), ensuring a level playing field. But consumer protection agencies often face a challenge taking on financial consumer protection responsibility because they lack both knowledge of the financial sector and capacity.

Financial regulators, on the other hand, have a solid understanding of the financial sector but are empowered to implement consumer protection provisions only as they relate to the financial institutions they regulate, not to a broad range of financial service providers. This approach fragments responsibilities among many regulators and, more important, excludes unregulated institutions, creating distortions in the market.[11] To address this challenge, some economies have created a single agency responsible for consumer protection issues for retail financial services, such as the Financial Consumer Agency of Canada or the National Credit Regulator in South Africa, which is solely responsible for retail credit. The United States and United Kingdom are also moving in this direction following the recent crisis.

Whichever institutional structure is chosen, effective implementation of the law requires that the responsibilities of the respective agencies are clearly defined and a single entity is assigned to receive and direct customer complaints and inquiries.[12]

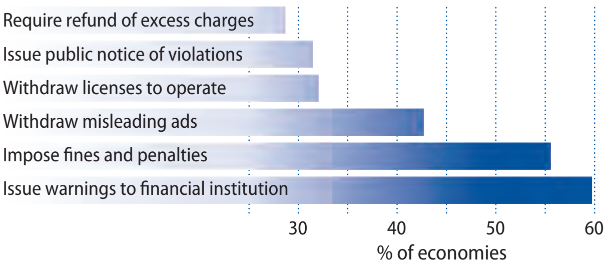
Effective implementation also requires assigned staff and resources in the agency responsible. Yet *Financial Access 2010* finds that this is not always the case. Out of 99 economies where financial regulators are responsible for at least some aspect of consumer protection, 68 economies (69 percent) had assigned this work to a specific department or unit (figure 3.7). Most of these consumer protection departments and units are relatively new. Of the 60 economies that provided their units' date of establishment, 65 percent were created after 1999, and 45 percent after 2005.

A number of countries—31—reported that consumer protection work is assigned to a financial institution supervision department. In Austria, Botswana, Kenya, the former Yugoslav Republic of Macedonia, and Sri Lanka, consumer protection is part of routine supervisory work, with no organizational separation of consumer protection tasks from general supervision. In the Philippines, Spain, Brazil, Israel, and Zimbabwe, consumer protection is handled by an allocated team or unit within the banking supervision department. An alternative approach taken by 13 economies is to create a special department. In the Czech Republic, the Consumer Protection Department reports directly to the board of the Czech National Bank; in Ecuador the department reports directly to the bank superintendent; and in the United States the Federal Reserve Board has a Division of Consumer and Community Affairs, with a staff of 120.

Agencies' powers to enforce consumer protection regulations and monitor compliance are limited

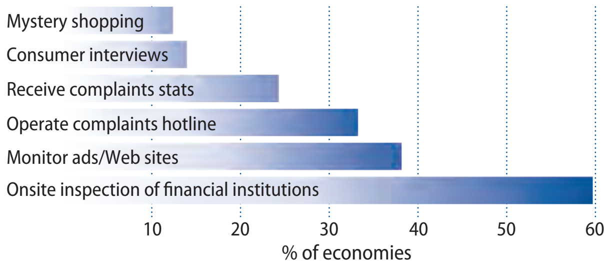
What actions can regulators take if financial institutions do not comply with regulations? And how do regulators monitor compliance? *Financial Access 2010* finds that regulatory powers are often limited. Regulators in a little more than half of the economies have powers to issue warnings to financial institutions or impose fines and penalties for violation of consumer protection regulations, and only about a third are empowered to issue a public notice of violation, require providers to refund excess charges, or withdraw a li-

FIGURE 3.8
What enforcement actions can regulators take?



Source: Financial Access database.

FIGURE 3.9
What monitoring actions are available to regulators?



Source: Financial Access database.

cense to operate (figure 3.8). A number of respondents commented that even though their agency had the responsibility to monitor compliance with consumer protection regulations, they were authorized to take action only if the violation of consumer protection provisions posed a risk to financial stability, significantly limiting the regulator's ability to step in.

Credible deterrence is a critical element of successful enforcement. A recent evaluation of consumer credit interventions in the United Kingdom suggests that greater publicity for the actions taken and the regulator publicly identifying the offending institutions can increase the deterrent effect.[13] So how often do regulators exercise their powers? Surprisingly few economies were able to provide statistics on the number of times actions were taken against institutions. Twenty-one economies reported the number of times they issued warnings, out of 85 economies with the authority to do so. Of these 21, only half issued more than five warnings. Statistics on fines were provided by 22 economies out of 79 authorized to impose fines and penalties. Of these, three economies did not apply any actions in 2009 and a little more than half of the economies applied fines to seven or fewer institutions. Among 21 economies, mostly high-income OECD, that had an authority and provided statistics on more than one action, the most common actions were requirements to withdraw advertisements. Only the United Kingdom, Italy, Japan, Lithuania, Nicaragua, and Sierra Leone report more than one case of issuing a public notice of violation—potentially a very effective tool.

The low number of actions taken indicates that there are either no violations or no effective monitoring and enforcement mechanisms. The statistics on the number of complaints in economies with effective monitoring systems, such as the United Kingdom, where the financial regulator records 3 million complaints per year,[14] suggest that violations are likely. But without consistent data on the number of complaints received and the resolution steps taken, it is impossible to assess either the scale of the problem or the effectiveness of the reaction. So how do regulators monitor compliance with consumer protection provisions?

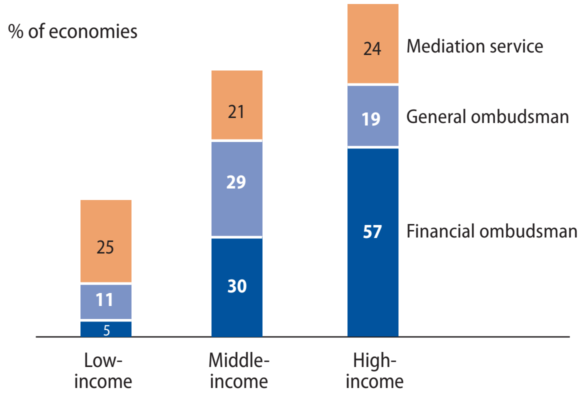
To identify risks to the economy resulting from inadequate consumer protection, regulators need to complement onsite inspections with routine monitoring of complaint statistics and advertisements, mystery shopping, and focus groups with consumers and industry. However, *Financial Access 2010* survey results indicate that most financial regulators tasked with monitoring compliance with consumer protection regulations rely mainly on onsite inspections as part of a routine financial institution examination and rarely use other methods (figure 3.9).

Monitoring customer complaints and tracking enforcement actions is an important step in improving the effectiveness of regulations. Analyzing the trends in enforcement actions can help regulators adjust existing frameworks and improve oversight, as well as identify market-wide risks. *Financial Access 2010* suggests that thus far only a few economies have put the necessary monitoring mechanisms in place.

DISPUTE RESOLUTION MECHANISMS

The power imbalance between providers and users of financial services is acute in retail financial transactions, especially when they involve low-income individuals. A consumer of financial services is unlikely to have the resources to go through the court process to resolve a dispute with a financial institution. Effective complaint-handling mechanisms by financial service providers and extrajudicial third-party dispute resolution mechanisms are essential parts of a consumer protection system. Yet these mechanisms are often not in place, limiting the effectiveness of the legislation.

FIGURE 3.10
How are disputes resolved?



Source: Financial Access database.

Financial institutions are the first line of defense when it comes to resolving disputes. Not only is complaints resolution required by fairness provisions in most countries' legislation, but research shows that addressing customer complaints is beneficial to business sustainability.[15] The *Financial Access 2010* survey asked if an economy's laws or regulations set standards for complaints resolution by financial institutions. Only about a third of the economies require financial institutions to implement procedures for resolving customer complaints, set limits for timeliness of response, and ensure accessibility. Even though many economies report that institutions have put in place voluntary codes of conduct, it is not clear how effective these voluntary arrangements are due to a lack of monitoring.

If a customer's complaint is not resolved under the financial institution's internal procedures, do economies have an effective third-party dispute resolution mechanism such as an ombudsman[16] or a mediation center?

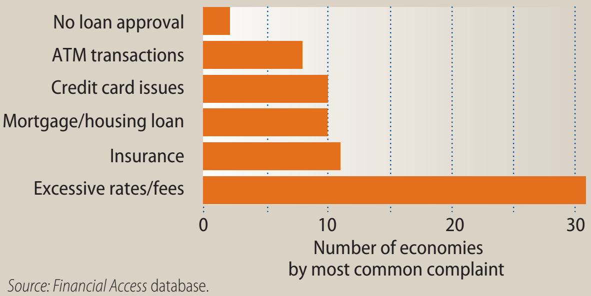
Financial Access 2010 survey results show that 58 percent of economies have some type of ombudsman or mediation service. Thirty percent have a specialized financial ombudsman, whereas in 21 percent of countries, a general ombudsman handles financial cases along with other consumer protection issues. Mediation services are more common in Asia, where about half of the economies report having established one compared with a quarter of the economies or fewer in other regions.

These institutions are not mutually exclusive, and some economies have more than one third-party mechanism to address customer complaints. El Salvador, Pakistan, Poland, South Africa, Taiwan (China) and Korea all have a financial ombudsman, a general ombudsman, and a mediation service for resolving financial disputes. The Czech Republic, Greece, Italy, Mexico, and Peru have a financial ombudsman and a mediation service.

Financial ombudsmen are more common in high-income countries. Fifty-seven percent of high-income countries reporting have a financial ombudsman in place, compared with 5 percent of low-income countries (figure 3.10).

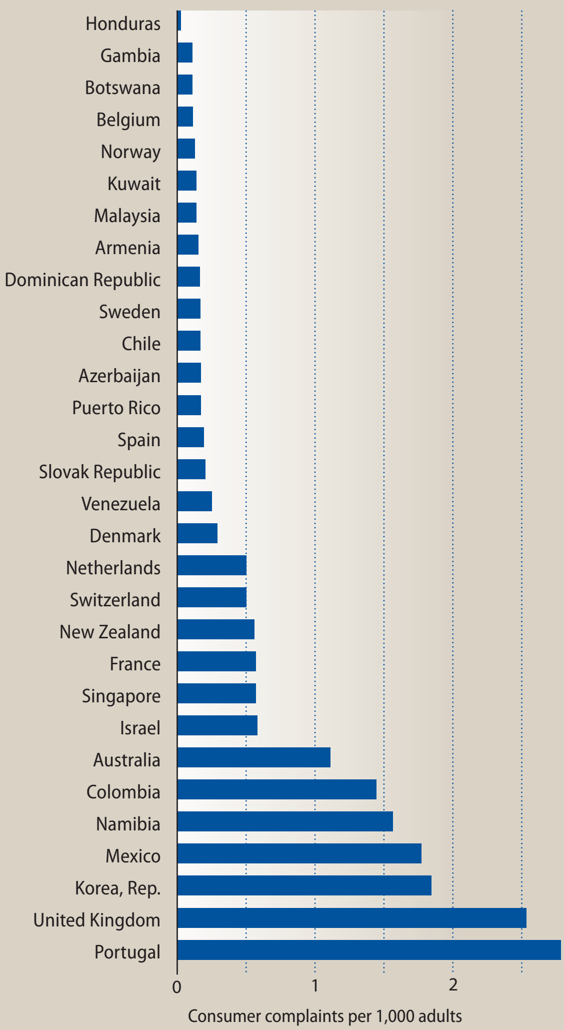
Institutional arrangements and funding for third-party dispute resolution mechanisms vary across countries. In a majority of economies that provided data on funding (41 of 63 economies), the ombudsman or equivalent institution is fully funded by the government, mostly through the annual budget of the relevant government agency, and is sometimes part of the financial regulator's budget, as is the case in Israel, Nepal, and Uruguay. In eight more economies, the ombudsman is cofunded by the government and the private sec-

FIGURE 3.11
Excessive rates/fees is the most common cause for complaint



Source: Financial Access database.

FIGURE 3.12
The number of complaints received by ombudsmen varies greatly across countries



Source: Financial Access database.

tor. And in 30 out of 63 economies, dispute resolution mechanisms are funded by members (mostly service providers) or industry associations. Privately funded dispute resolution schemes can be voluntary, as is the case in Chile, or mandatory, as in Armenia.

What are the most frequent causes for complaints across countries? Excessive interest rates and fees is by far the most common cause for complaint. Out of 70 economies providing data, 31 ranked excessive interest or fees as the most frequent cause for complaint, and 48 named it among the top three (figure 3.11). Product-specific complaints related to credit cards, mortgages, and ATMs all rank at about the same level. Only two economies listed not getting approved for a loan as the most frequent cause for complaint.

A number of economies reported additional causes for complaints. In the Czech Republic, the most frequent complaint concerns domestic payment transactions. In Finland it is the functioning of the deposit guarantee scheme; in Mozambique it is insurance complaints and the register of declined checks. A number of economies cited complaints related to bank staff as the most common. In Namibia, Norway, and Hungary, complaints relate to poor financial advice provided to the customer; in Syria and Uganda, they relate to mistreatment of customers by bank staff.

How often are complaints referred to the third-party dispute resolution entities, and how often are they upheld?

Fifty-three of the 82 economies where such a mechanism exists provided statistics on the number of complaints received by the third-party dispute resolution mechanism. These ombudsmen or equivalent institutions vary substantially in the scope of operations and the types of disputes they are set up to address. The Financial Ombudsman Service in the United Kingdom and Condusef in Mexico, both of which handle a wide array of consumer complaints on a range of financial services, received about 130,000 complaints each in the past year—2.52 and 1.76 per 1,000 adults, respectively (figure 3.12). On the other hand, the Federal Reserve Consumer Help Center in the United States—one of a number of dispute resolution mechanisms—received about 5,000 complaints. In economies where ombudsmen or equivalent institutions were created recently, customers may not know how to file complaints or may be skeptical about the effectiveness of the scheme. Poland and Bulgaria reported nine and five complaints received, respectively—less than one per million adults. In a functioning system, the number of complaints is likely to increase in the early years of operation as public awareness and confidence in effective resolution improve. In the United Kingdom, for example, the number of complaints referred to the Financial Ombudsman Service increased fivefold between 2000 and 2009.

Respondents were also asked to provide the total number of cases processed and closed, and out of these cases, the number of cases that were resolved in favor of the customer. Thirty economies provided data on both figures. In 67 percent of these economies, less than half of all complaints were resolved in favor of the customer. Variation between the economies is substantial, though. In Singapore only 2 percent of customer complaints were resolved in the customer's favor. But in Venezuela, resolution was in the favor of the customer 97 percent of the time. International comparisons of this sort are not very informative, as they mostly reflect structural differences in the existing systems. But at the country level, consistent tracking of the number of complaints and the number of complaints upheld by the ombudsman can be an important policy tool. In the United Kingdom, Malaysia, Sweden, Spain, Singapore, Pakistan, and Canada, information on complaints resolution by product is publicly available and is shared with regulators to inform policy. For example, spikes in the number of complaints or a share of upheld cases for a certain product may indicate a systemic problem and may warrant regulatory action. In a number of countries, the regulator's role is broader, as in Pakistan and Ecuador, where regulators can receive appeals if the customer is not satisfied with the ombudsman.

Effective third-party dispute resolution mechanisms are an essential part of consumer protection frameworks, especially in economies with weak judiciary systems. Yet 34 economies reporting do not have an ombudsman or an equivalent scheme, relying solely on the court system to resolve disputes. And few economies where these mechanisms exist are able to provide statistics on the number of complaints received and resolved. In a number of economies the dispute resolution schemes are new and may not be known to consumers and thus are rarely used. Across the board, further work to clarify legal and regulatory frameworks for the role of third-party mechanisms and to improve monitoring and consumer awareness can go a long way in enhancing overall effectiveness of the consumer protection system.

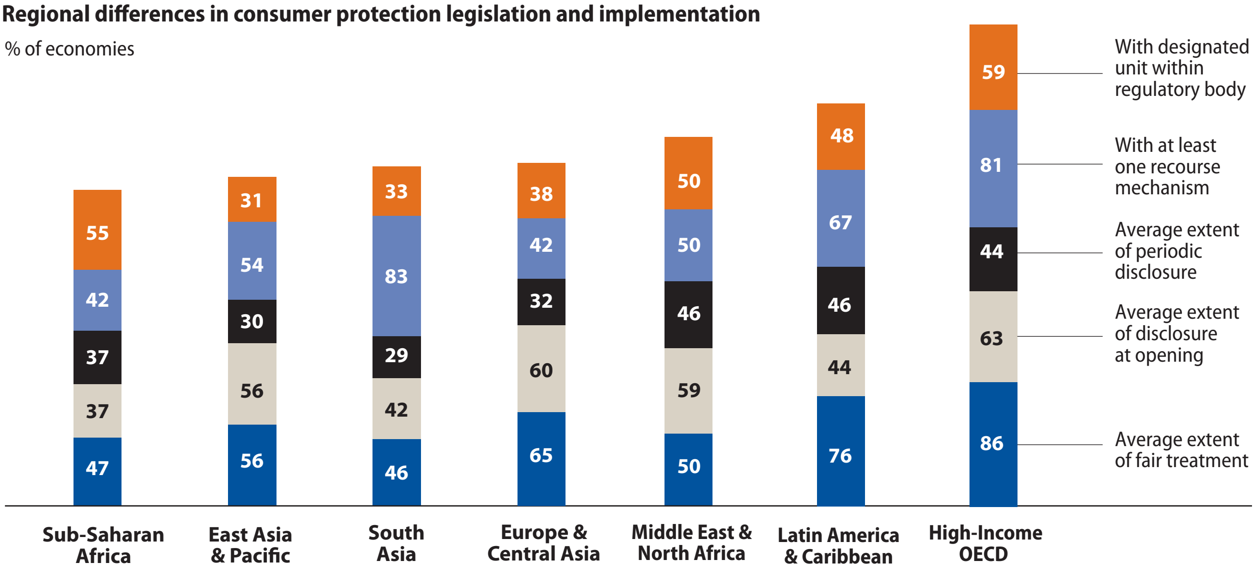
REGIONAL TRENDS IN CONSUMER PROTECTION

How do consumer protection frameworks vary from region to region? As mentioned earlier, almost all economies have consumer protection legislation on the books, whether an explicit financial consumer protection law or a general consumer protection law. However, the trends on enforcement and implementation mechanisms tell a different story.

Figure 3.13 displays the regional means for five areas measured by the *Financial Access 2010* survey. The first area measures the average number of the four legislative requirements on fair treatment practices implemented by each region. For example, South Asian economies on average require 46 percent (or 1.8 out of 4) of the fair treatment practices measured by the survey. The second area measures the average number of the 13 disclosure requirements upon opening implemented by each region. For example, Sub-Saharan African economies on average require 37 percent (or 4.8 out of 13) of the disclosure requirements upon opening measured by the survey. The third area measures the average number of the 13 periodic disclosure requirements implemented by each region. The fourth

FIGURE 3.13

Regional differences in consumer protection legislation and implementation



Source: Financial Access database.

area measures the percentage of economies in each region that have at least one recourse mechanism. And the fifth area measures the percentage of economies in each region that have an allocated unit for financial consumer protection.

Overall, high-income countries have on average the most comprehensive consumer protection framework. Latin American economies follow close behind, particularly on fair treatment requirements and recourse mechanisms. This can be partly attributed to the fact that consumer protection frameworks in high-income countries have existed longer, and thus are better established and have had a chance to improve over time. Economies in Sub-Saharan Africa and South Asia have the least comprehensive legal frameworks in terms of the coverage of fair treatment and disclosure requirements. And across all groups, less than 60 percent of economies have an allocated team working on consumer protection issues.

NOTES

1. For an overview, see Rutledge (2010) and Brix and McKee (2010).
2. See Gokhale (2009), Reuters (2009), and Reille (2009).
3. Peterson (2003).
4. Ibid.
5. See Ardic, Ibrahim, and Mylenko (forthcoming) on consumer protection for further details of statistical analysis.
6. The focus of the *Financial Access 2010* survey was consumer protection for loan and deposit services, rather than for pensions, investments, and insurance.
7. Rutledge (2010).
8. Godfrey et al. (2008).
9. Lusardi and Tufano (2009).
10. U.S. GAO (2005).
11. Rutledge (2010); Brix and McKee (2010).
12. Ibid.
13. Office of Fair Trading (2009).
14. Financial Services Authority (2010).
15. Ibid.
16. An ombudsman is an entity or a person designated to investigate complaints and mediate fair settlements. In some cases, the ombudsman is completely independent of any government agency (including being housed by an industry association), and in other cases, it can be housed under the relevant regulatory authority.

SME FINANCE: SUPPLY-SIDE DATA AVAILABILITY

Lack of finance is one of the key obstacles to SME growth

SMEs are critical for sustainable economic growth. In high-income countries, SMEs constitute 67 percent on average of the formal employment in the manufacturing sector. In developing countries, this number is lower at about 45 percent. Similarly, SMEs contribute a sizeable share to formal GDP: 49 percent on average in high-income countries and 29 percent on average in low-income countries.[1]

A number of factors, ranging from the overall business environment to the availability of an educated and trained labor force, affect the growth of SMEs. But lack of access to finance consistently ranks as one of the most important obstacles to doing business, according to World Bank surveys of firms in more than 100 economies.[2] Empirical research supports entrepreneurs' views and indicates that lack of finance is negatively correlated with SME firm growth.[3] Access to finance for SMEs remains low. In the survey of firms, only about 32 percent of SMEs had a loan with a financial institution, compared with 56 percent of large firms.[4]

The appeal for the need to support SMEs is hardly new. Most economies have comprehensive SME finance programs, many of which trace their history to the 1950s and 1960s. Governments around the world have used interest rate subsidies, directed lending, guarantee funds, and a variety of other approaches to get SMEs financed. However, the gap between SMEs and larger businesses remains. With the recent financial crisis, many economies are looking to SMEs to provide much needed jobs and to help pull their economies out of recession, putting SMEs back into the spotlight of development and political agendas.

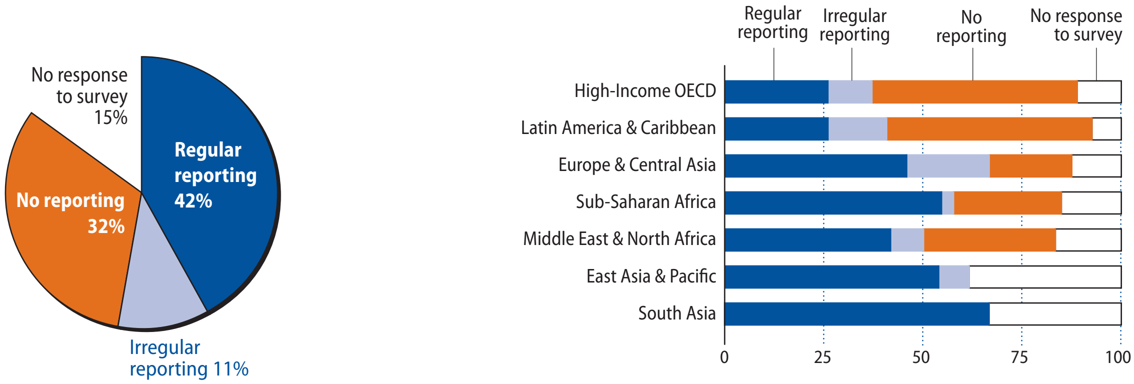
In 2009, G-20 countries committed to identifying lessons learned on innovative approaches to providing financial services to SMEs and to promoting successful regulatory and policy approaches.[5] In the *Financial Access 2010* survey, 44 percent of economies cite SME support as a priority for financial regulators, and 47 percent report implementing reforms that support SME finance. Most of these programs and reforms set targets for the number of SMEs reached, volume of SME financing facilitated, and employment created. Some progress has been made in collecting comparable demand-side information across countries through firm surveys by the World Bank, European Bank for Reconstruction and Development (EBRD), and other development organizations. Yet, to date there are no reliable data across countries on the volume of SME financing, which makes it difficult to set global targets and track progress. In 2004, the OECD identified the need to foster greater international comparability of SME statistics,[6] and a number of initiatives are under way to reach this goal. One of them is to strengthen the culture of evaluation of SMEs and entrepreneurship policies across nations.[7] Moreover, the SME Performance Review, launched by the European Commission in 2008, represents one of its main tools to monitor the implementation of the Small Business Act.[8] It represents a comprehensive source of information on the performance of SMEs in Europe.

Financial Access 2010 contributes to the effort to improve measurement of SME financing and reviews SME finance data available to financial regulators as well as data collection methodologies. Supply-side data—information collected from financial service providers—are likely the most effective tool to collect information on SME finance volume. Firms are often reluctant to share information on the dollar amounts of their operations, such as sales or loan sizes, during interviews. As a result, information on the volume of SME financing is difficult to obtain from firm surveys and requires a survey of credit providers. The most economical way to collect this information worldwide is to survey government authorities instead of surveying individual financial institutions in each economy. The *Financial Access 2010* survey, as a survey of financial regulators, evaluates whether they collect information on SMEs.

FIGURE 4.1

How often are SMEs required to report about their lending?

% of economies by frequency of required reporting



Source: Financial Access database.

The objectives of this year's survey were to identify the feasibility of consistent cross-country data on SMEs going forward, summarize methodological challenges, and provide a rough estimate of SME financing volume by regulated financial institutions. The analysis of topics such as the effectiveness of SME support programs, the impact of the SME sector on economic growth, and the relationship between access to finance and SME development is beyond the scope of this year's report.

Financial regulators in more than half of the economies worldwide monitor levels of SME financing, but use a variety of definitions

Data on SME volumes are collected by financial regulators in 74 out of 142 economies surveyed in *Financial Access 2010*. In 21 more economies, SME finance statistics are collected by other government agencies. The Ministry of Economy collects SME data in Chile, Lithuania, Taiwan (China), Nicaragua, and Venezuela. The Ministry of Trade monitors SME lending in Albania, Botswana, Colombia, and Zambia; the Ministry of Cooperatives does so in Indonesia. In a number of economies, including Japan, Denmark, and Greece, the National Statistics Office collects this type of data.

Financial regulators in 53 percent of the economies that responded to the survey monitor the level of lending to SMEs. Most important, in 42 percent of these economies these data are collected through regular reporting (figure 4.1). Financial regulators in middle- and low-income countries are more likely to require regular reporting of SME statistics. Out of 59 economies that collect SME lending data on a regular basis, 86 percent are low- and middle-income countries. Most economies in East Asia and the Pacific, as well as in South Asia, monitor SME lending at least periodically (figure 4.1). Often, these data are collected to monitor compliance with lending targets set for priority sectors, including SME, as is the case in Afghanistan, India, the Philippines, and Pakistan.

In a number of economies where data are not collected through regular reporting, they are collected through surveys of financial institutions or by estimating lending volume in credit registries. Credit registries contain loan-level data and allow estimation of a variety of SME statistics using loan size as a proxy for an SME definition. In 13 of the reporting economies, including Argentina, Tunisia, and Brazil, regulators use public credit registries to estimate the volume of SME lending. In 23 economies, regulators conduct periodic surveys of financial institutions to monitor SME lending. The frequency of surveys varies. For example, Estonia, Singapore, and Armenia conduct such surveys annually, Algeria and Tunisia do so monthly, and Uganda does it on an ad-hoc basis. Financial institution surveys can be an important tool for a regulator to collect information not only on SME lending volumes but also on other aspects of SME finance such as fees and number of applications received and rejected, all of which are essential for the implementation of SME finance reforms and programs. In 10 economies, 8 of which are in the Western African Monetary Union, regulators combine information from the credit registries and periodic surveys from financial institutions.

There is a clear regional pattern in reporting SME data. More than half of the economies in Asia and Africa report that they regularly collect information on SME finance. These are also regions where regulators tend to identify access to finance as a priority. Financial regulators in high-income countries and in Latin America and the Caribbean are the least likely to collect data on SME finance, because some other agency is usually assigned this task.

The responsibility to promote SME finance often lies with more than one government agency, each of which also has the responsibility to monitor the performance of the sector, including availability of finance. Agencies collecting regular statistics from financial institutions, such as central banks and bank regulators, are well positioned to collect SME finance statistics, and already do so in a majority of economies. Experience in economies such as Malaysia, Russia, Greece, and the Czech Republic that have introduced monthly reporting for SMEs shows that SME data collection on a monthly basis is possible when there is a clear definition of SMEs, in addition to a well-established reporting process that is easy to follow.

Lack of a clear definition is the main challenge in measuring SME finance

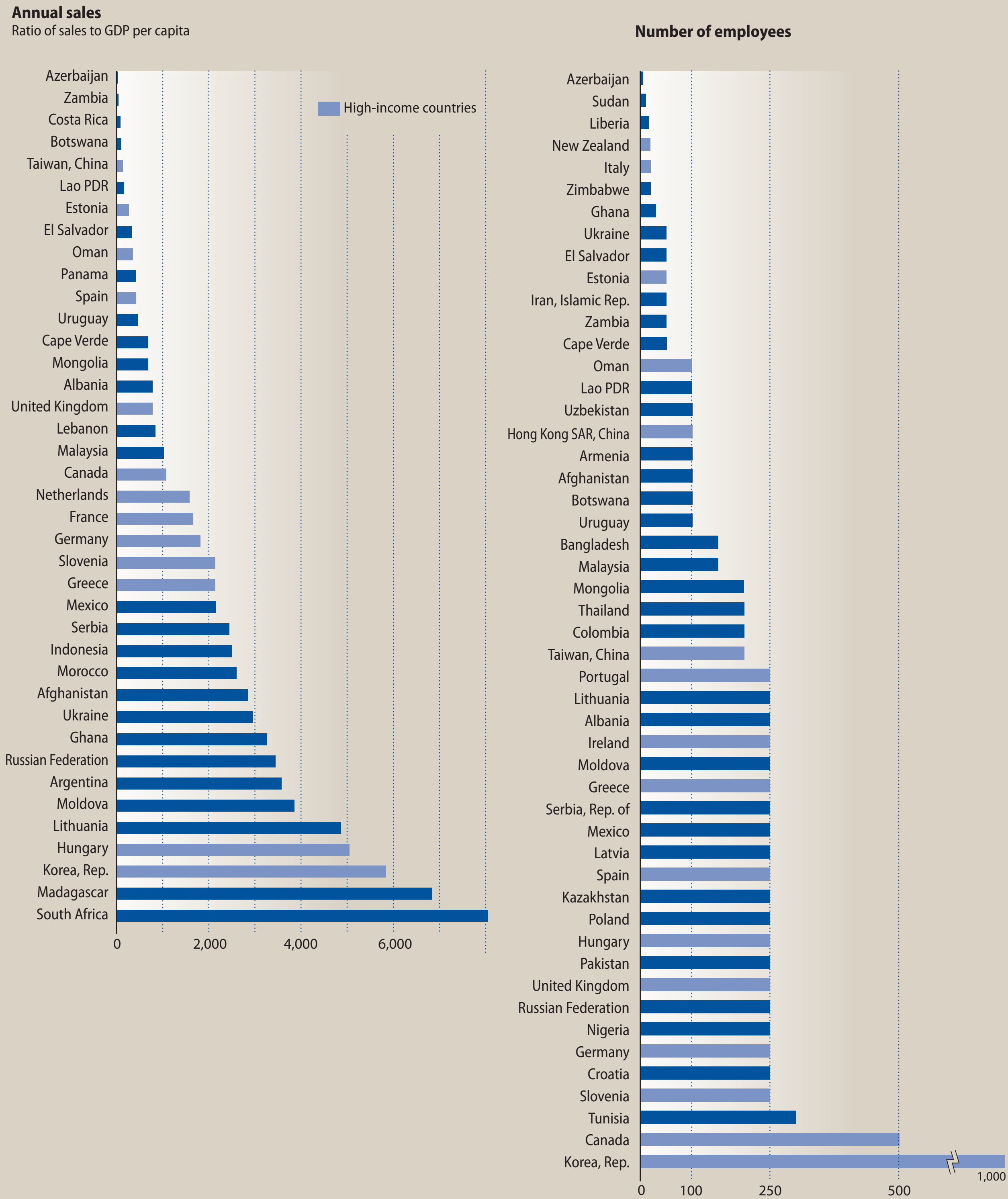
What is an SME? Definitions vary greatly across countries, and financial regulators in 68 economies reported that their SME definition is based on number of employees, sales volume, or loan size. Number of employees and sales volume seem to be the most widely used criteria, present in 50 and 41 economies, respectively. Sixteen economies use the value of loans. Often, the definition relies on multiple criteria and depends on the industry. In Pakistan, for example, SME refers to an entity that employs no more than 250 persons in manufacturing or service sectors or 50 persons in the trade sector, as well as sales criteria of up to $590,000 for trade and industry firms, $1.2 million for manufacturing firms, and no more than $3.5 million for any industry of operation. In addition, a number of economies use alternative criteria such as total assets, fixed assets, and turnover, and 17 economies report that no official definition exists at all.

The following examples underscore the diversity of definitions used. In Zambia it is a firm with fewer than 50 employees and sales of no more than $50,000. In Russia SMEs include individual entrepreneurs and firms with fewer than 250 employees and sales of up to $30 million. In Canada it is a firm with up to 500 employees and sales of up to $45 million at current exchange rates. And in Korea, SMEs can have up to 1,000 employees and sales of up to $130 million.

The most common cutoff points for the maximum number of employees cluster around 50, 100, and 250 employees (figure 4.2). A large portion of economies (20 out of 49 that use number of employees as a criterion to define SMEs) set 250 employees as the maximum cutoff.[9] Maximum values of sales range from $50,000 in Zambia to over $70 million in Korea, Germany, France, Greece, and Hungary, with no clear patterns or clustering. The maximum sales cutoff value is closely correlated with income per capita but does not translate into a common ratio of SME maximum sales

FIGURE 4.2

Definitions of SMEs cover a large range in sales volume and number of employees

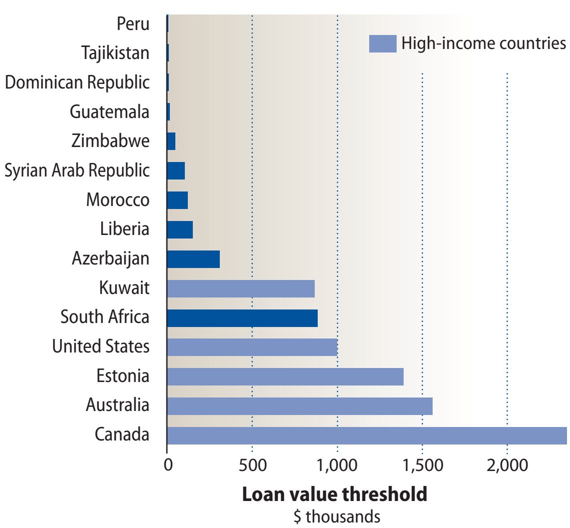


Source: Financial Access database.

to average income per capita. Maximum sales values represent 23 times income per capita in Azerbaijan at the lower end and more than 8,000 times income per capita in South Africa at the higher end (figure 4.2).

Number of employees and sales volume are probably the most accurate parameters to define SME, but this information is not always available from lenders. Banks may collect this information at the time of evaluating loan applications but often do not keep it in their systems and as a result are not able to report lending volumes based on these criteria. Thus, some economies choose to rely on loan size as a proxy when collecting information on SME finance from financial institutions. Extracting information on loans to firms below a certain size and loans to individual entrepreneurs can be a reasonable approximation for SME lending volume. Fifteen economies in the *Financial Access 2010* survey reported using loan size criteria to define SMEs (figure 4.3). As in sales criteria, high-income countries tend to have higher loan size brackets in their definition of SMEs. Canada, the United States, Estonia, and Australia set the loan value cutoff for SMEs above $1 million.

FIGURE 4.3
Economies that define SMEs by loan value



Source: Financial Access database.

In the long term, encouraging financial institutions to collect and maintain information on employee numbers and sale volumes will allow for more accurate monitoring of SME lending. The data may also be useful to banks themselves for client segmentation and development of SME scoring models. In the short term, collecting data using loan size criteria as a proxy may provide a reasonable estimate of SME volumes for regulators tasked with monitoring this statistic. A number of efforts aim to streamline and harmonize SME definitions,[10] although the heterogeneity of SMEs themselves and the nature of the economies in which they operate might mean that establishing a global definition is not feasible.

Variation in definition is not significantly correlated with variation in lending volumes to SMEs

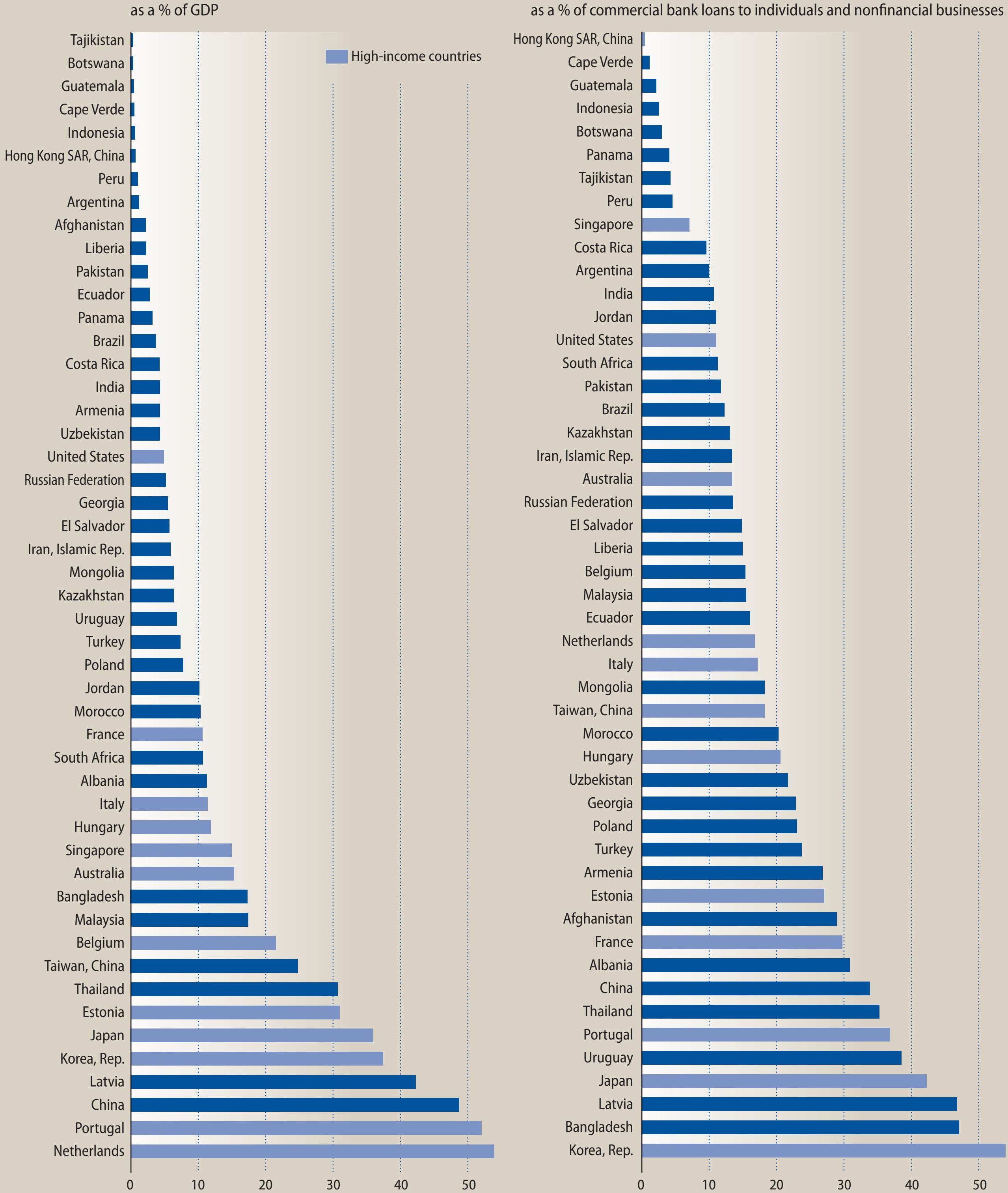
Do economies that set higher cutoff criteria for the number of employees and sales tend to have a higher ratio of SME lending volume to GDP? The correlation between the maximum number of employees and the ratio of SME loans to GDP reported in *Financial Access 2010* is positive but weak and not statistically significant at the 10 percent level.[11] The correlation coefficient between the maximum definition for sales and SME lending volume is also not statistically significant. These results must be interpreted with caution as estimates are based on a small number of observations: 40 for the number of employees and 31 for the sales volume. Lack of a strong correlation (except for those economies defining SMEs as firms with 1,000 employees or more) indicates that the variation in the definitions for the most part is not a strong enough factor to permit cross-country comparison of the data on SME lending using national definitions.

Estimating global SME volume

In *Financial Access 2010*, 50 economies provided data on the total value of outstanding loans to SMEs (figure 4.4). Out of these, 30 economies (60 percent) are middle-income and 14 (28 percent) are high-income. Among low-income countries, only Afghanistan, Ban-

FIGURE 4.4

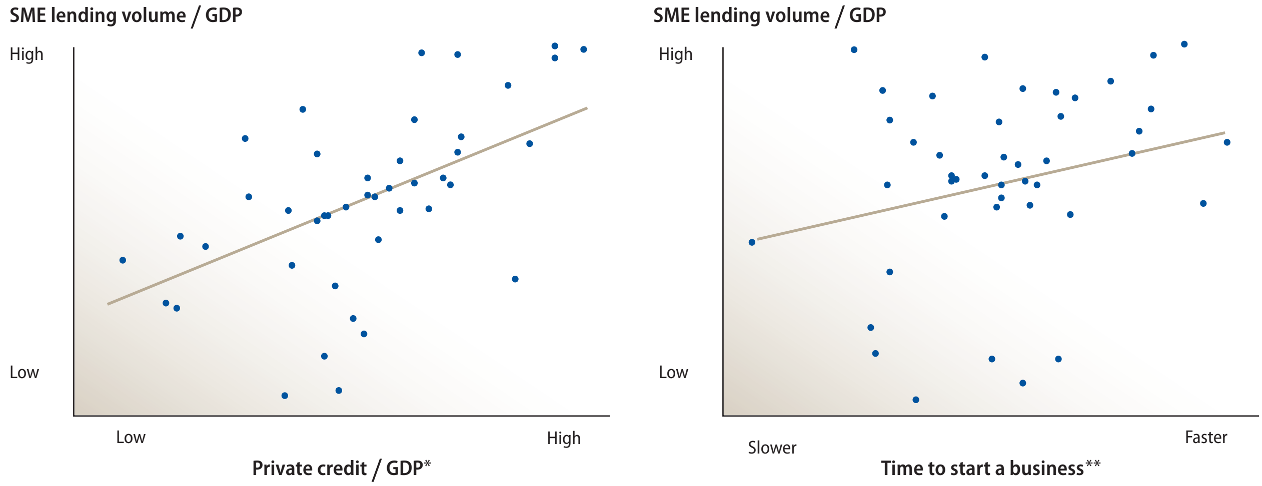
Value of outstanding loans to SMEs



Source: Financial Access database.

FIGURE 4.5

SME lending volumes are higher in developed credit markets and where starting a business is faster



Source: Financial Access database.

* Correlation controls for time to start a business and offshore centers. The relationship is statistically significant at the 5 percent level.

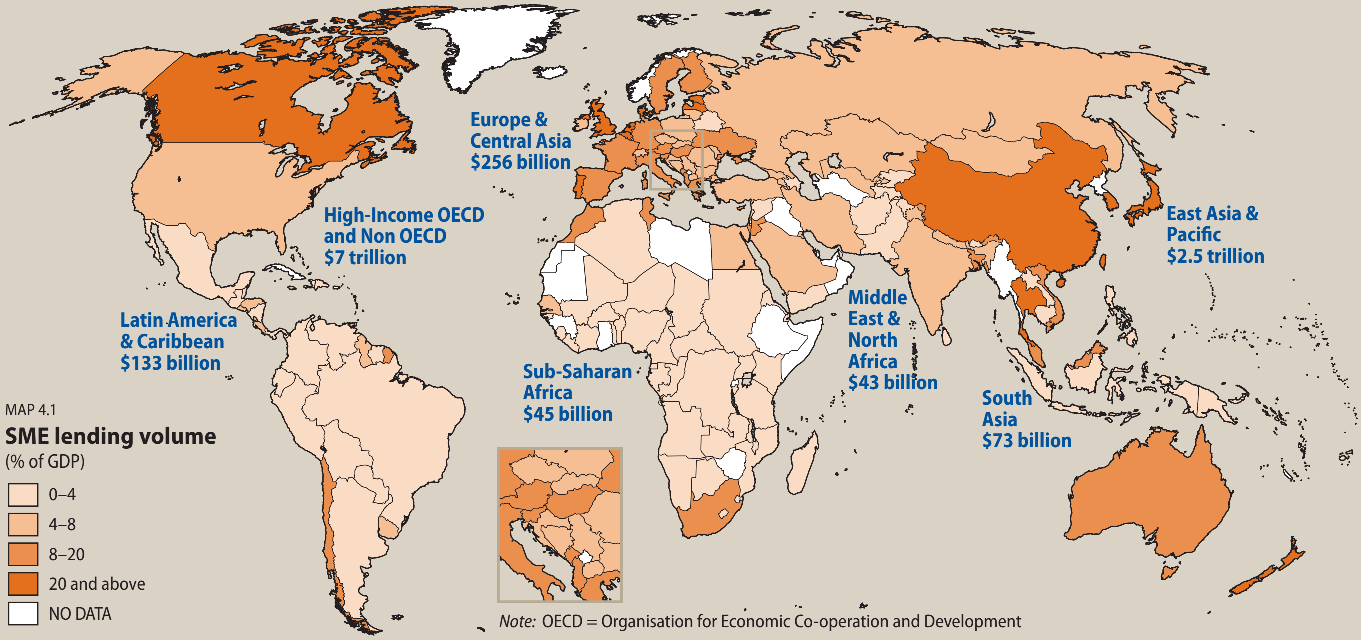
** Correlation controls for expected private credit/GDP and offshore centers. The relationship is statistically significant at the 5 percent level.

gladesh, Liberia, Pakistan, Tajikistan, and Uzbekistan provided these data points. The ratio of SME lending to GDP ranges from less than 1 percent in Tajikistan to more than 50 percent in the Netherlands and Portugal. The median ratio of SME credit to GDP is 6.4 percent, and in 75 percent of the economies in the sample, it is below 15 percent.

The share of SME loans as a percentage of total loans also varies greatly across countries, reflecting the structure of the local financial market (figure 4.4). The ratio of SME loans to total loans ranges from less than 1 percent in Hong Kong Special Administrative Region (China), to 56 percent in Korea, where SMEs can employ up to 1,000 people. Overall, high-income countries tend to have higher ratios of SME finance volume to GDP and to total loans, suggesting a more developed SME finance market compared with developing countries.

To assess the global volume of SME financing from formal institutions for *Financial Access 2010,* the value of SME lending to GDP ratio was estimated for economies that have not provided statistics on SME finance using a regression model. Model selection is based on two factors: data availability and predictive power. The ratio of overall private credit to GDP, number of days to start a business, and a control for offshore financial centers are used as explanatory variables in this model.[12] The level of SME finance is likely to be affected by the overall development of the credit market as measured by the ratio of private credit to GDP (figure 4.5). In addition, economies in which it is easier to start a business are likely to have higher levels of SME lending. One potential explanation is that in those economies where it is more difficult to start a business, there are fewer formal SMEs to finance, and hence lower SME lending. This finding supports earlier evidence on the importance of reforming business registration and other regulations affecting firm entry.[13] The share of SME finance in relation to total lending volume is likely to be affected by the structure of the financial market. Specifically, offshore financial centers are likely to have high levels of credit to GDP but low levels of SME financing.

On the basis of these estimates, global volume of SME lending was roughly $10 trillion in 2009 (map 4.1). The bulk of SME lending volume—70 percent—is concentrated in high-income countries. The second largest SME loans market is in East Asia and the Pacific, which accounts for 25 percent of the total SME



MAP 4.1
SME lending volume

Note: OECD = Organisation for Economic Co-operation and Development

The map plots a ratio of SME lending volume to GDP. Actual data is presented for 50 economies that provided information. For the remainder of the economies, the ratio of SME lending to GDP is predicted by a regression model controlling for the ratio of private credit to GDP, the number of days to start a business (*Doing Business database*) and a dummy for offshore financial centers. See Ardic, Mylenko and Saltane (forthcoming) for detailed methodology. Data for Taiwan (China), Hong Kong SAR (China), and Puerto Rico (US) have been broken out from the national dataset.

lending volume. But 90 percent of this amount is in China, where the SME definition is broad and SMEs can employ up to 2,000 people. Without China, the total SME lending volume in East Asia is comparable to Eastern Europe and Central Asia, or about 3 percent of the total. Africa, Middle East, and South Asia together account for only 1.6 percent of the total SME volume.

A similar picture emerges when comparing ratios of SME lending to GDP (map 4.1). The median ratio of SME lending to GDP in high-income OECD countries is about 13 percent, compared with the 3 percent world median. In more than 80 percent of economies, the SME lending to GDP ratio is below 10 percent.

Data analysis indicates that further efforts are necessary to define the criteria and processes for collecting data on SME financing, which can also be comparable across countries. A recently created SME Finance subgroup under the G-20 Financial Inclusion Experts Group,[14] bringing together international experts, development agencies, and governments, offers an excellent platform for the establishment of a comprehensive, consistent, and scalable framework and mechanism to measure and track the progress over time of SME access to financial services in the developing world.

NOTES

1. Ayyagari, Beck, and Demirgüç-Kunt (2007).
2. World Bank Enterprise Analysis Surveys (various years).
3. Beck and Demirgüç-Kunt (2006).
4. World Bank Enterprise Analysis Surveys (various years).
5. The Pittsburgh G-20 Summit (2009).
6. OECD (2004).
7. OECD (2007).
8. European Commission (various years).
9. This figure is based only on data provided in the *Financial Access 2010* survey and does not include any external sources.
10. OECD (2004).
11. The correlation, controlling for income per capita, is not statistically significant when countries that set a maximum definition at 1,000 employees or more are excluded (Korea and China). The estimate is based on 65 observations. *Financial Access 2010* survey data were supplemented by information on maximum number of employees for SMEs from other sources, including World Bank (2004) and World Bank Enterprise Analysis Surveys (various years).
12. For details on estimation results see Ardic, Mylenko, and Saltane (forthcoming). A number of macroeconomic and business environment factors were tested, but relationships are not statistically significant after controlling for overall level of private credit to GDP.
13. See World Bank (2004) for an overview.
14. See the Pittsburgh G-20 Summit (2009), "Leaders' Statement," paragraph 41.

DATA AVAILABILITY

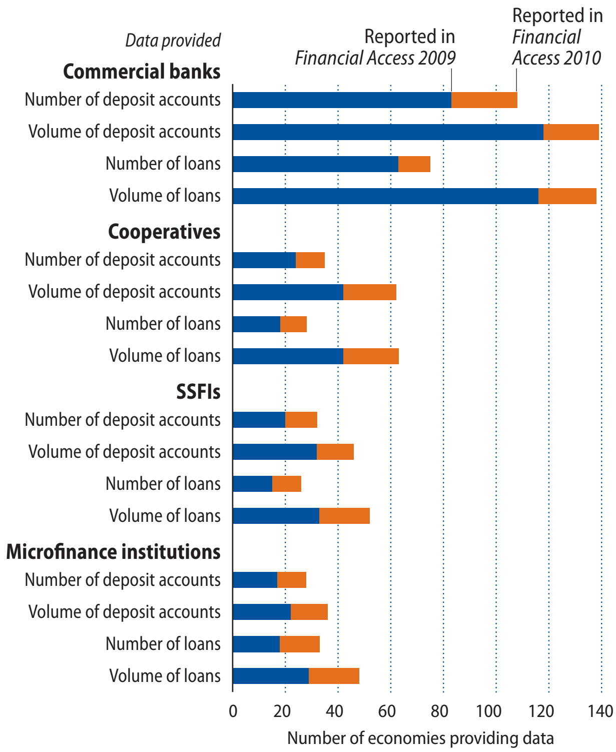
More economies provided data on the value and number of loans and deposits across all types of institutions in the *Financial Access 2010* survey compared to the 2009 survey (figure 5.1). Information for commercial banks remains the most comprehensive. But even for commercial banks, while most economies provided information on the values of deposits and loans, only 76 percent had data on the number of deposits and 53 percent on the number of loans.

Information for nonbanks is limited for four primary reasons. First, if nonbanks are not regulated by the main financial regulator, this regulator may not have data on these institutions. Second, even if nonbanks are regulated, it may be difficult to collect accurate data on their performance because of a lack of adequate systems in nonbanks. Third, in economies where there are several types of regulated nonbanks, the regulator may be able to collect information on only certain types of institutions, resulting in distorted statistics. Fourth, institutions may change their type (in other words, the way they categorize themselves), or a new type of institution may be introduced that fits into one of the categories in the *Financial Access 2010* survey, introducing breaks in data consistency.

Most economies take measures to improve data availability, demonstrated by the improved responses to the *Financial Access 2010* survey and responses to the International Monetary Fund's (IMF) "Access to Finance" project launched this year.[1] A number of countries, such as Mexico and Bangladesh, were able to provide more comprehensive coverage of nonbanks this year, including institutions that were not covered last year.

With improved and cheaper technology and the push for transparency and better reporting, data on access will undoubtedly improve over time. But even today, available data provide useful insights. A consistent sample in which comparable data are available for both years is sufficiently large, at least for commercial banks, enabling empirical analysis presented in this report: 85 economies for the number of deposits and 65 for the number of loans.

FIGURE 5.1
More economies provided data in 2010

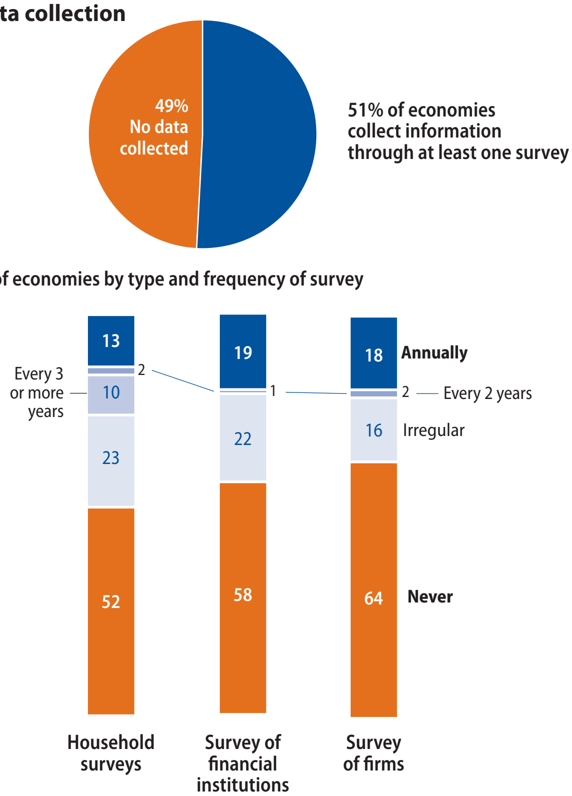


Source: Financial Access database.
Note: SSFI = specialized state financial institution.

To understand what research and data collection instruments beyond regular reporting are available to financial regulators, the *Financial Access 2010* survey asked what type of survey instruments (household surveys, surveys of firms, surveys of financial institutions) they use for collecting information on the level of access to financial services.

Fifty-one percent of financial regulators responding say they collect at least some information through one type of survey instrument (figure 5.2). Household surveys are most popular, followed by surveys of financial institutions. Surveys of firms are the least popular.

FIGURE 5.2
Data collection



Source: Financial Access database.

Regular surveys by regulators are an important source of information for guiding policy. For example, in the United States, the Senior Loan Officer Opinion Survey on Bank Lending Practices is conducted quarterly to inform the meetings of the Federal Open Market Committee determining U.S. monetary policy. The survey questions cover changes in the standards and terms of the banks' lending and the state of business and household demand for loans.

These surveys could also become an important tool for collecting information comparable across countries by introducing standardized questions.

NOTE

1. IMF (2009).

METHODOLOGY

Financial Access 2010 is the second in an annual series presenting indicators on access to savings, credit, and payment services in banks and regulated nonbank financial institutions. The report updates data on access to financial services from a survey of financial regulators in 142 economies and includes new chapters on financial inclusion mandates and reforms, consumer protection policies, and SME finance.

Survey design

Data were collected through a survey sent to the main financial supervisors, such as central banks or bank supervisory agencies. The survey questionnaire consists of two parts: the statistical table and policy questions.

Statistical table Similar to the 2009 survey, the 2010 questionnaire collected data on the numbers and volumes of deposit accounts and loans, number of bank branches, ATMs, and POS terminals, as well as other measures of the use of financial services by banks and formal regulated nonbank financial institutions. A formal financial institution is a registered business whose primary activity is providing financial services. Formal financial institutions can be regulated or nonregulated. A financial institution is considered regulated if it is subject to regulation and/or supervision by any of the state regulators. The regulatory requirements that apply to such institutions could be prudential or nonprudential. The data were collected for commercial banks and for regulated nonbank financial institutions, adding value to other studies that have preceded it. To make the cross-country comparison of the services provided by the different types of financial institutions possible, the respondents were asked to classify types of regulated institutions into four broad categories:[1]

Commercial banks Banks with a full banking license. In some countries, the term "universal banks" or other terms may be used. Majority government- and state-owned banks should be included in this category to the extent that they perform a broad set of retail banking functions and are regulated and supervised in the same manner as privately owned banks.

Cooperatives, credit unions, and mutuals Financial institutions that are owned and controlled by their members (customers), regardless of whether they do business exclusively with their members or with members and nonmembers.

Specialized state financial institutions Specialized state-owned institutions are extensions of the government whose main purpose is to lend support to economic development and/or to provide savings, payment, and deposit services to the public. They include postal banks, government savings banks, SME lending facilities, agriculture banks, and development banks.

Microfinance institutions Institutions whose primary business model is to lend to (and possibly take deposits from) the poor, often using specialized methodologies such as group lending.

The data collected using this institutional classification necessarily understate the scale of microfinance because many banks, cooperatives, and specialized state-owned institutions provide microfinance services as part of their activities.

Policy questions The second part of the survey contains questions on regulations relating to the provision of financial services, including financial inclusion mandates, consumer protection, and measurement of SME finance.

Survey sample

Questionnaires were sent to 151 economies: 13 in East Asia and the Pacific, 27 in Europe and Central Asia, 20 in Latin America and the Caribbean, 14 in the Middle East and North Africa, 6 in South Asia, 40 in Sub-Saharan Africa, and 23 in the high-income OECD countries. For practical purposes, most small islands and economies at war were not included. The sample covers more than 94 percent of the world's population and nearly 98 percent of global GDP.

The questionnaires were sent directly to the governors' offices of central banks. When appropriate, they were also sent to monetary authorities or banking supervisory agencies. Depending on the economy and the structure of the regulatory authority, the questionnaires were filled out by one or several of the following departments: research, statistics, supervision, and foreign relations. Of the 151 questionnaires sent, 142 economies responded, for a response rate of 94 percent.

The data passed several robustness checks. First, the numbers and values of deposit and loan accounts for banks and other regulated financial institutions were compared with those from the 2009 survey. Where discrepancies exceeded 20 percent from the previous year, extensive follow-up was conducted to verify the numbers or to explain the data differences. Values were also cross-checked with GDP, population, private credit, and deposit statistics available in World Development Indicators and International Financial Statistics databases.

Multiple checks for internal consistency and rationality were also conducted. When anomalies were found, the respondents were asked to provide clarification. In the absence of adequate clarity, the data points were dropped (in only a few cases).

Main limitations of the approach

The survey collects information only on regulated financial institutions, leaving out nonregulated providers of financial services. This practice is likely to significantly understate the scale of credit services, which are often not regulated, unlike deposit services. Even though the main financial regulator was asked to provide data on all regulated financial institutions, in cases where some financial institutions are regulated by other regulators, the data are rarely available. As a result, the available data understate the true scale of financial services provided by regulated financial institutions and likely understate the size of the nonbank segment in relation to commercial banks.

Data on the number of borrowers and depositors are available in only a few economies. Instead, the number of deposit and loan accounts is used as a basis for core access indicators, double-counting clients with multiple accounts. Another imperfection stems from the different treatment of dormant accounts—some banks close dormant accounts after six months of inactivity, while others keep such accounts open for many years.

Global estimates and maps of banked individuals and SME lending

Maps for banked individuals use data from the *Financial Access* database as well as other sources. More specifically, country-level data from the *Financial Access* database are complemented by various household surveys. Because most financial regulators are unable to report data on the number of individuals with a bank account, the use of household surveys is of great value even though these surveys are not fully comparable across economies and time.

Nonetheless, data from 46 such household surveys across the world are used to estimate a regression model.[2] The share of households having a deposit account in commercial banks is then predicted using the estimates of this model where the number of deposit accounts per 1,000 adults and number of branches per km^2 are controlled for.[3]

Financial Access 2010 predicts the ratio of SME lending to GDP using the ratio of overall private credit to GDP, a control for offshore financial centers (both from the IMF), and number of days to start a business (from the *Doing Business database*) by employing a regression model.[4] Model selection is based on two factors: data availability and predictive power.

NOTES

1. To improve cross-country data comparability, definitions have been slightly modified from those in *Financial Access 2009*.
2. This regression model was originally developed by Beck, Demirgüç-Kunt, and Martinez Peria (2007) and Honohan (2008).
3. For estimation results, see Ardic, Heimann, and Mylenko (forthcoming) on financial access.
4. For estimation results, see Ardic, Mylenko, and Saltane (forthcoming) on SME financing.

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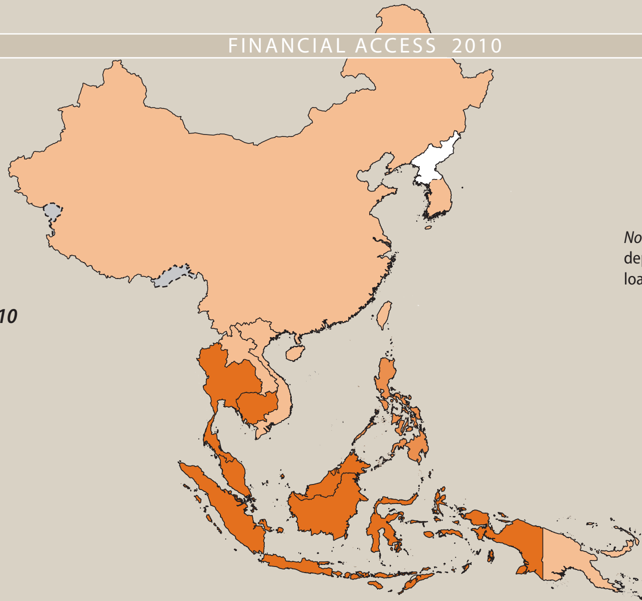
REGIONAL PROFILE

East Asia and the Pacific

Number of key financial access indicators included in *Financial Access 2010*

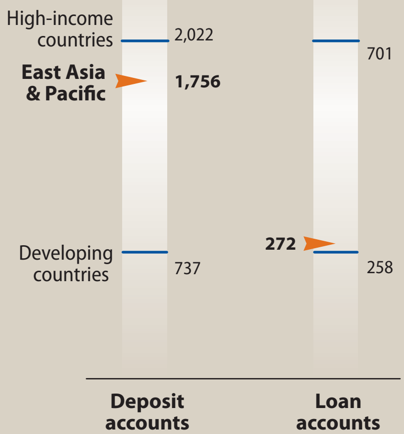
- 4
- 3
- 2
- 1
- 0



Note: The key financial access indicators are number of deposit accounts, value of deposit accounts, number of loan accounts, and value of loan accounts.

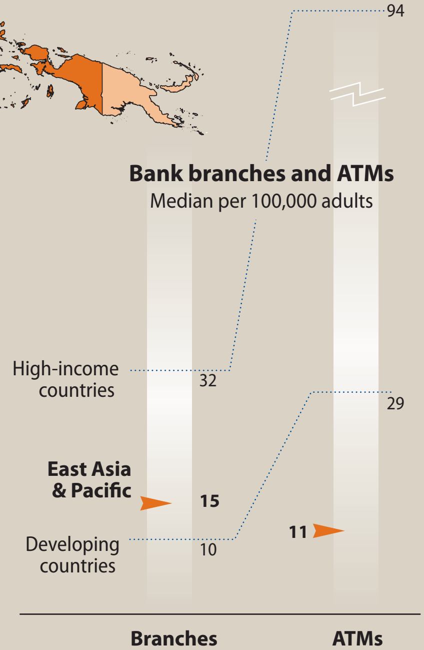
Accounts in commercial banks

Median per 1,000 adults



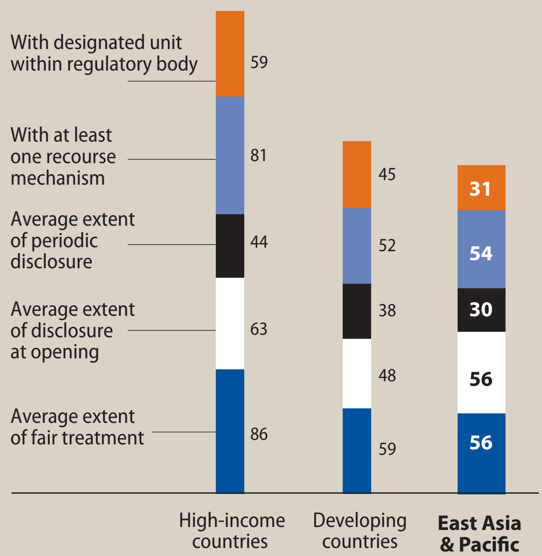
Bank branches and ATMs

Median per 100,000 adults



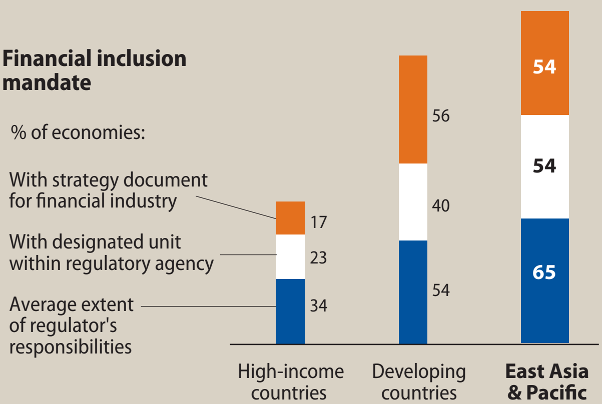
Consumer protection legislation and implementation

% of economies:



Financial inclusion mandate

% of economies:

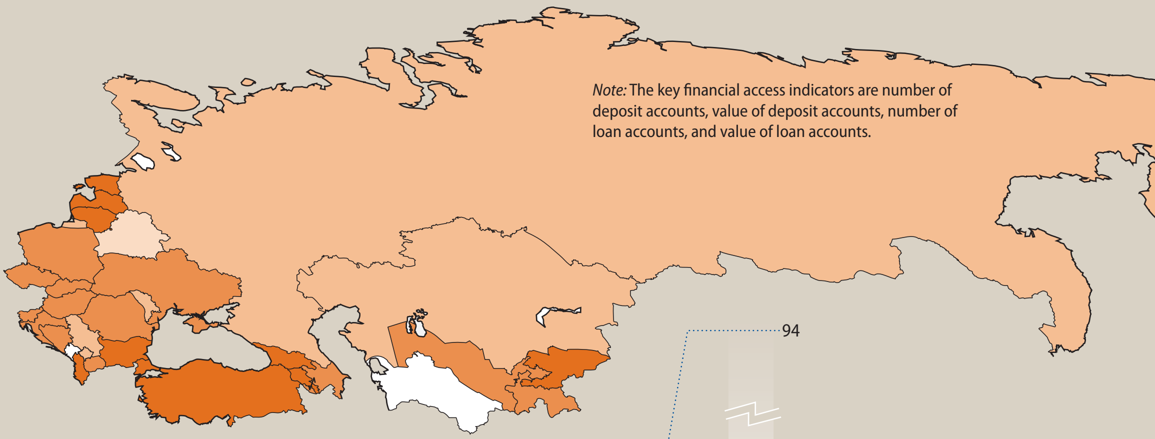


REGIONAL PROFILE

Europe and Central Asia

Number of key financial access indicators included in *Financial Access 2010*

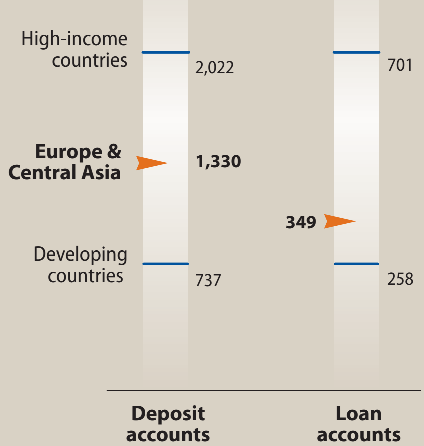
4
3
2
1
0



Note: The key financial access indicators are number of deposit accounts, value of deposit accounts, number of loan accounts, and value of loan accounts.

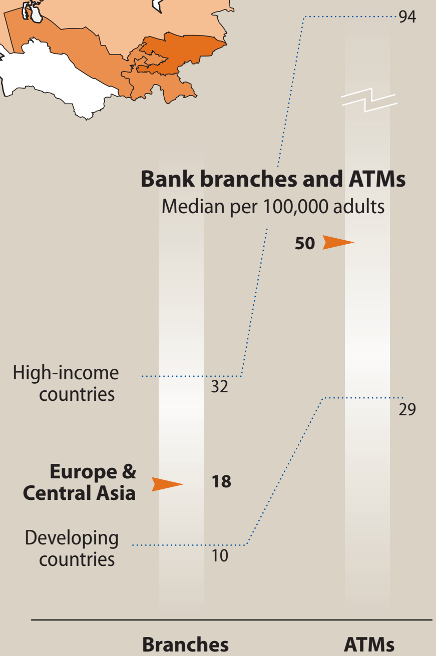
Accounts in commercial banks

Median per 1,000 adults



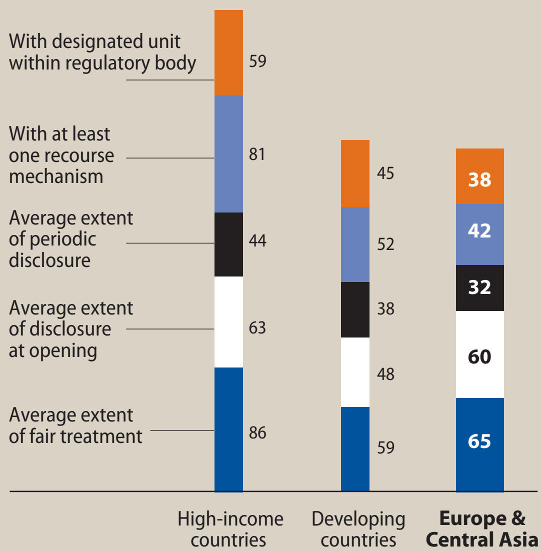
Bank branches and ATMs

Median per 100,000 adults



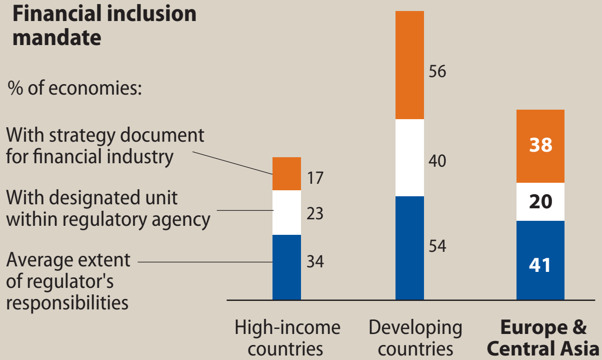
Consumer protection legislation and implementation

% of economies:



Financial inclusion mandate

% of economies:



REGIONAL PROFILE

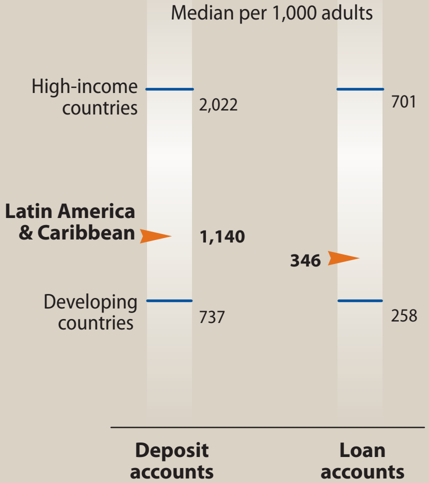
Latin America and the Caribbean

Number of key financial access indicators included in *Financial Access 2010*

Note: The key financial access indicators are number of deposit accounts, value of deposit accounts, number of loan accounts, and value of loan accounts.

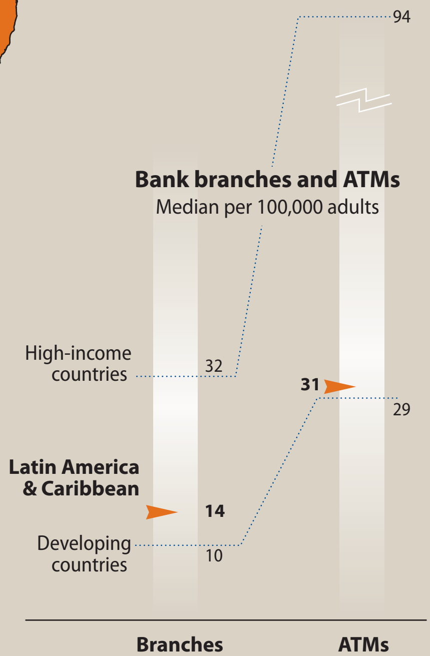
Accounts in commercial banks

Median per 1,000 adults



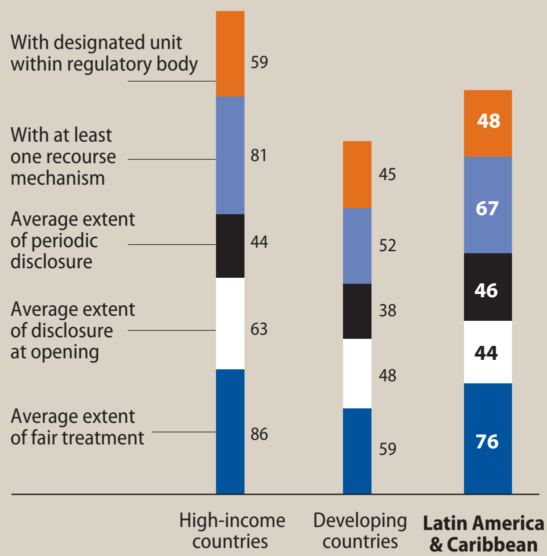
Bank branches and ATMs

Median per 100,000 adults



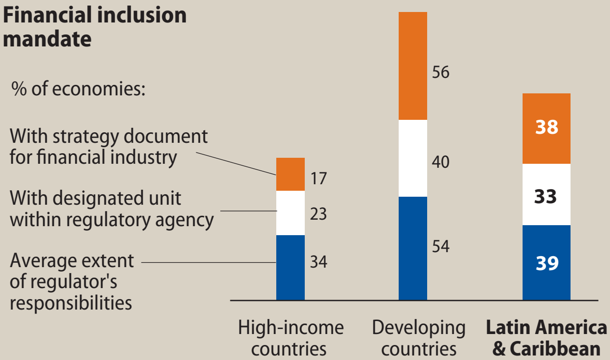
Consumer protection legislation and implementation

% of economies:



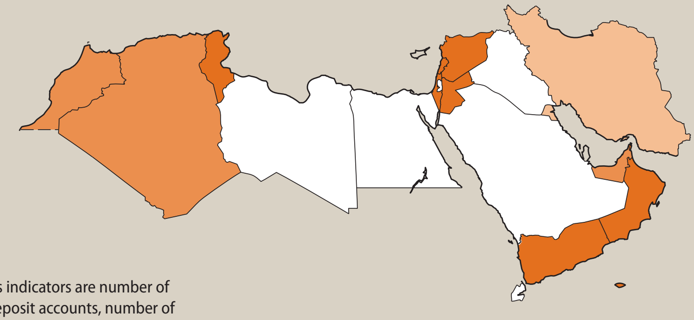
Financial inclusion mandate

% of economies:



REGIONAL PROFILE

Middle East and North Africa



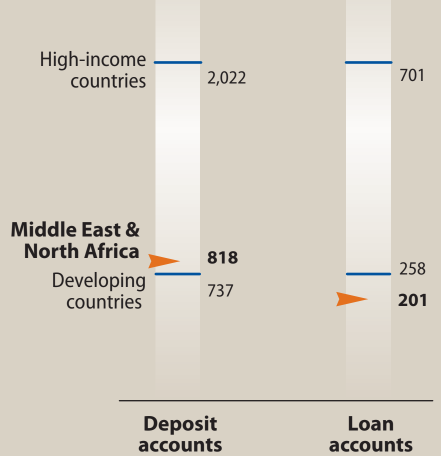
Number of key financial access indicators included in *Financial Access 2010*

- 4
- 3
- 2
- 1
- 0

Note: The key financial access indicators are number of deposit accounts, value of deposit accounts, number of loan accounts, and value of loan accounts.

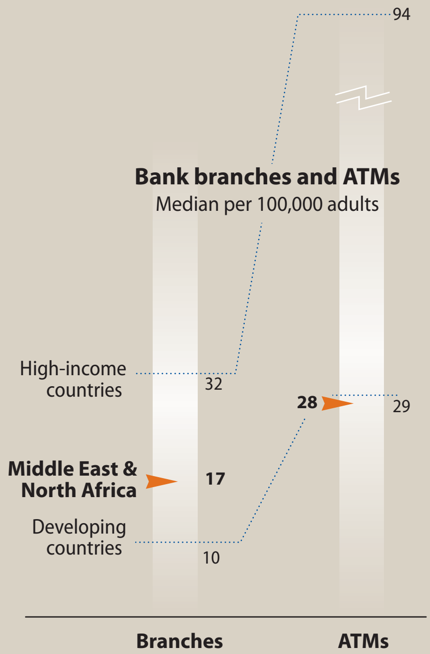
Accounts in commercial banks

Median per 1,000 adults



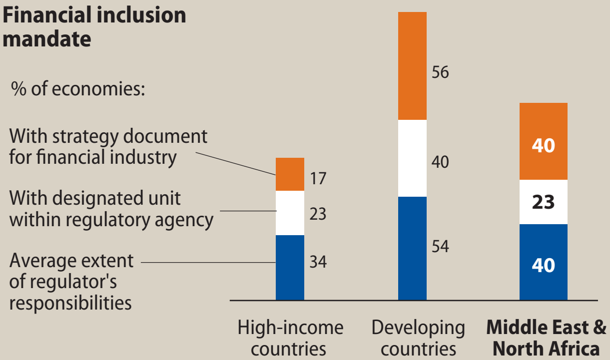
Bank branches and ATMs

Median per 100,000 adults



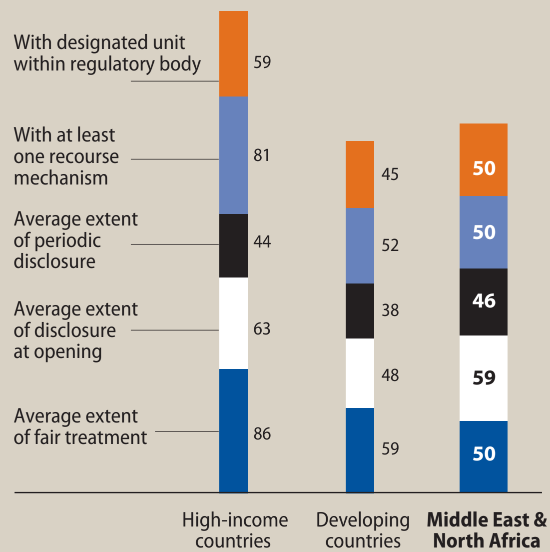
Financial inclusion mandate

% of economies:



Consumer protection legislation and implementation

% of economies:

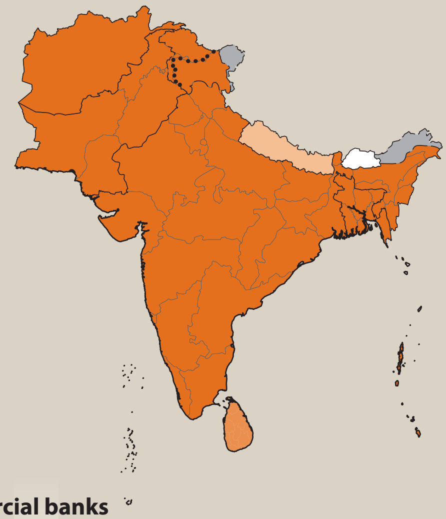


REGIONAL PROFILE

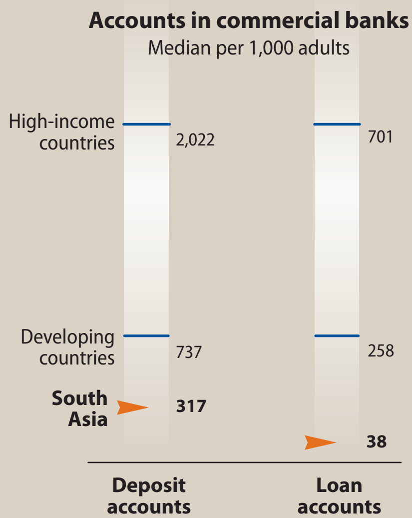
South Asia

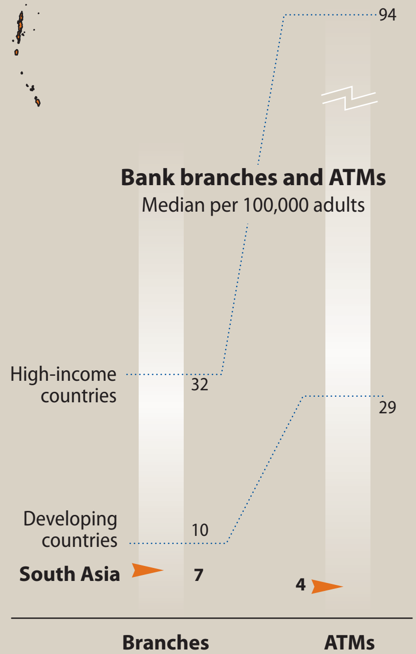
Number of key financial access indicators included in *Financial Access 2010*

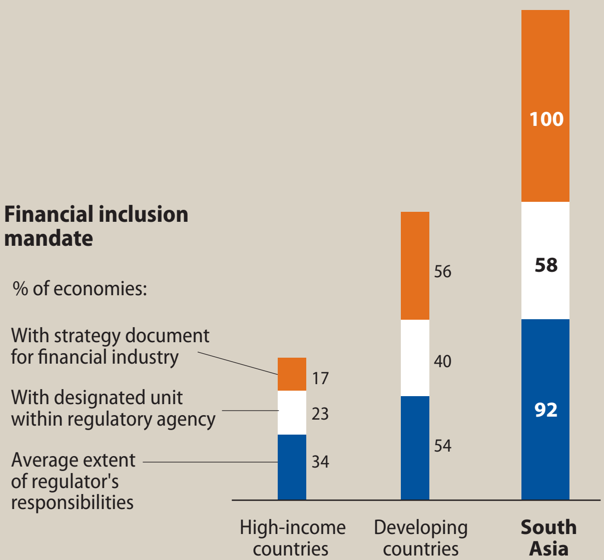
- 4
- 3
- 2
- 1
- 0

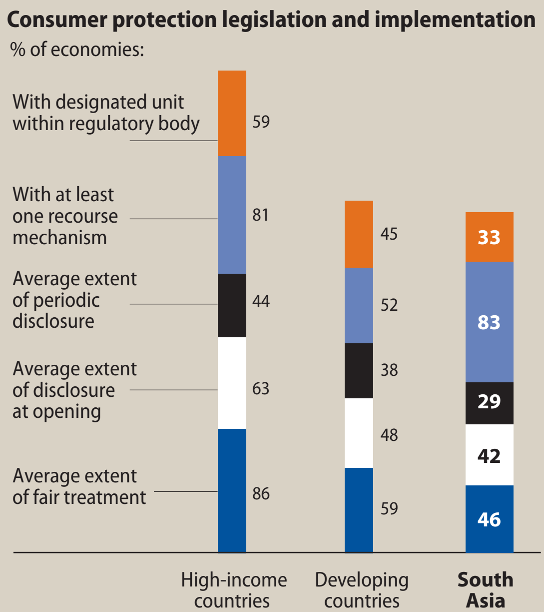


Note: The key financial access indicators are number of deposit accounts, value of deposit accounts, number of loan accounts, and value of loan accounts.





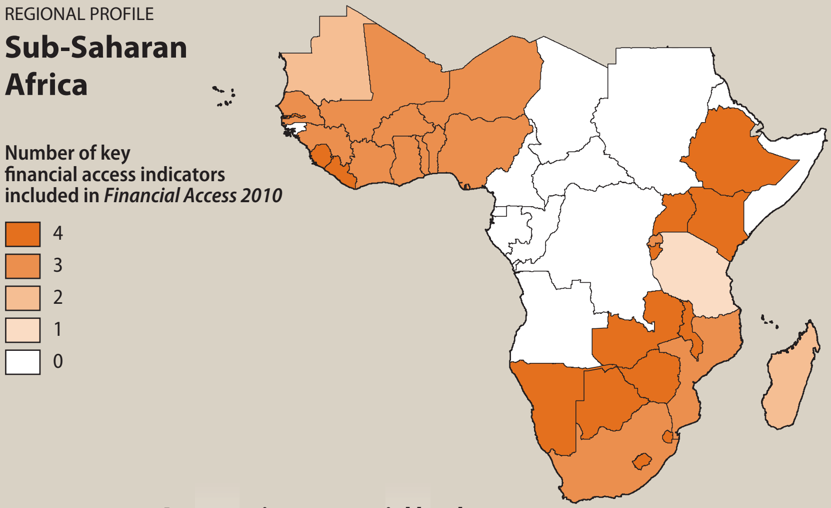




REGIONAL PROFILE

Sub-Saharan Africa

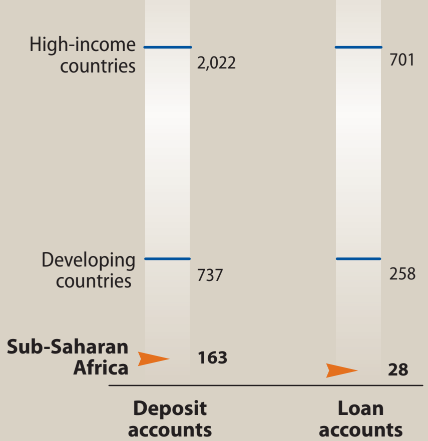
Number of key financial access indicators included in *Financial Access 2010*



Note: The key financial access indicators are number of deposit accounts, value of deposit accounts, number of loan accounts, and value of loan accounts.

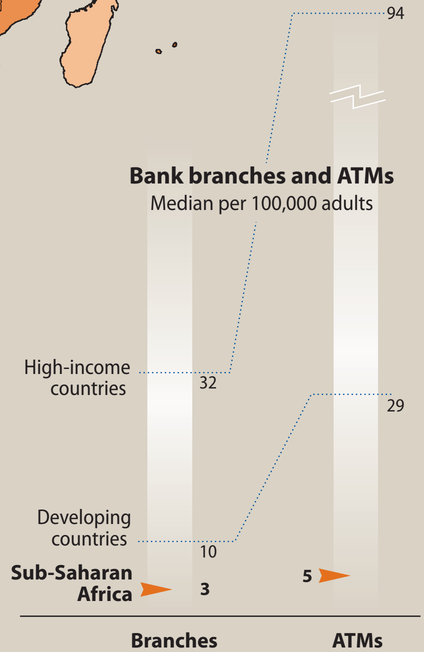
Accounts in commercial banks

Median per 1,000 adults



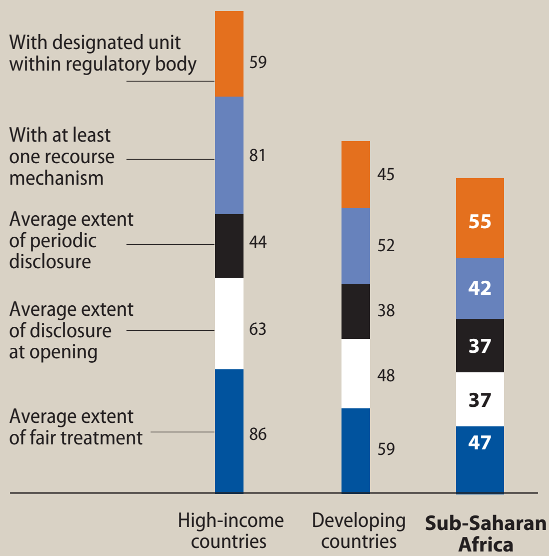
Bank branches and ATMs

Median per 100,000 adults



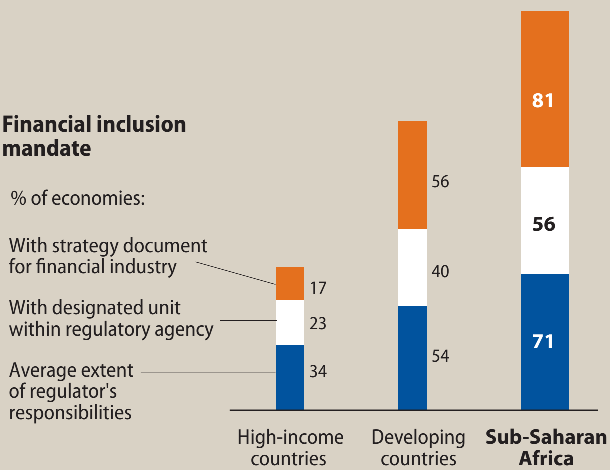
Consumer protection legislation and implementation

% of economies:



Financial inclusion mandate

% of economies:



STATISTICAL AND POLICY TABLES

TABLE 1
Financial access: Commercial banks

	Deposits			Loans			Outreach: Branches per 100,000 adults		
Economy	Accounts per 1,000 adults	Value (% of GDP)	Average account value (% of income per capita)	Accounts per 1,000 adults	Value (% of GDP)	Average value (% of income per capita)	Total	Urban	Rural
Afghanistan	83.85	25.90	..	3.32	7.79	..	2.00	0.24	1.76
Albania	1,278.63	56.58	58.38	107.53	36.70	450.35	22.29	..	..
Algeria	736.56	36.05	67.73	..	23.57	..	5.30	..	..
Anguilla	4,426.58	..	..	790.84	..	..	55.07	36.71	18.36
Antigua and Barbuda	2,971.58	104.24	47.88	579.76	95.18	224.07	27.13	..	..
Argentina	906.29	21.61	31.95	526.33	12.92	32.91	13.20	..	..
Armenia	630.51	14.48	28.90	163.67	16.25	124.92	15.99	..	..
Australia	..	75.18	..	..	115.67	..	31.86	24.49	7.37
Austria	2,402.71	50.84	24.95	..	58.63	..	27.54	..	..
Azerbaijan	678.32	11.55	22.58	..	22.16	..	9.57	4.97	4.60
Bangladesh	316.67	50.04	232.52	41.37	36.88	1,311.74	5.16	2.57	2.59
Belarus	..	..	..	..	37.83	..	45.00	..	..
Belgium	3,968.95	137.40	41.63	..	140.96	..	48.49	..	..
Benin	99.85	..	..	..	..	..	2.89	..	..
Bolivia	337.50	41.74	195.49	75.60	24.78	518.03	6.94	5.78	1.16
Bosnia and Herzegovina	..	49.74	..	338.29	55.84	195.69	19.95	..	..
Botswana	479.36	30.19	95.00	212.08	14.61	103.91	8.00	5.78	2.22
Brazil	1,065.35	35.55	45.32	533.49	30.88	78.61	12.71	..	..
Bulgaria	2,005.78	51.78	29.81	455.14	71.34	181.02	92.10	..	..
Burkina Faso	67.61	..	..	..	..	..	1.82	..	..
Burundi	23.35	30.10	2,112.28	3.81	21.36	9,195.09	1.81	0.87	0.93
Cambodia	95.83	34.68	549.34	27.15	25.53	1,427.20	3.92	..	..
Canada	..	117.79	..	..	95.18	..	24.11	..	..
Cape Verde	1,137.83	73.92	103.04	184.30	55.92	481.23	28.94	25.12	3.82
Chile	729.76	40.05	71.44	647.26	64.34	129.41	14.92	14.92	..
China	..	206.90	..	..	143.88	..	..	..	..
Colombia	1,267.44	25.97	29.09	469.75	24.64	74.45	14.30	9.26	5.04
Costa Rica	1,353.83	46.76	46.95	602.52	45.32	102.23	23.30	16.67	6.64
Côte d'Ivoire	75.44	..	..	..	..	..	..	..	..
Croatia	1,441.51	70.10	57.42	..	71.28	..	34.54	..	..
Czech Republic	1,739.26	62.91	42.13	..	46.89	..	22.17	..	..
Denmark	..	95.46	..	..	129.50	..	45.36	..	..
Dominica	1,608.76	130.16	107.22	219.40	78.65	475.08	14.48	7.24	7.24
Dominican Republic	..	28.06	..	245.09	19.53	116.89	9.98	5.93	4.04
Ecuador	569.24	26.70	68.44	300.60	17.98	87.30	1.61	..	..
El Salvador	825.00	41.03	74.26	341.30	39.06	170.89	9.30	..	..
Estonia	2,669.14	70.95	31.26	985.49	114.55	136.70	18.68	17.81	0.88
Ethiopia	93.59	23.99	456.51	1.70	12.10	12,648.43	1.39	..	..
Finland	..	30.03	..	..	59.96	..	..	..	..
France	771.99	25.75	40.88	..	35.83	..	43.21	..	..
Gambia, The	283.20	..	..	31.11	..	..	6.70	4.29	2.41
Georgia	626.63	19.53	37.59	313.19	24.26	93.44	18.57	15.25	3.32
Germany	..	25.61	..	..	28.13	..	15.91	..	..
Ghana	332.61	39.49	193.74	..	27.08	..	5.11	..	..
Greece	2,951.45	105.23	41.56	1,208.83	94.44	91.08	41.50	..	..
Grenada	2,556.00	135.29	73.68	355.90	112.74	440.93	32.97	15.82	17.14
Guatemala	1,139.58	34.54	52.48	341.75	24.48	124.04	35.75	15.45	20.31
Guinea-Bissau	5.81	..	..	..	..	..	..	..	..
Honduras	758.02	48.73	103.67	335.00	..	..	1.47	1.47	..
Hong Kong SAR, China	..	381.47	..	..	192.64	..	21.19	21.19	..

TABLE 1 (CONTINUED)

Financial access: Commercial banks

Economy	Deposits: Accounts per 1,000 adults	Deposits: Value (% of GDP)	Deposits: Average account value (% of income per capita)	Loans: Accounts per 1,000 adults	Loans: Value (% of GDP)	Loans: Average value (% of income per capita)	Outreach: Branches per 100,000 adults: Total	Urban	Rural
Hungary	2,058.27	38.06	21.74	..	58.02	..	18.31	17.80	0.52
Iceland	..	80.65	..	..	84.43	..	37.50	18.35	19.15
India	747.29	55.03	107.86	137.46	40.93	436.09	10.11	3.82	6.29
Indonesia	504.74	36.95	100.76	196.86	26.93	188.28	7.74	..	..
Iran, Islamic Rep. of	..	52.65	..	..	44.53	..	29.15	..	..
Ireland	2,181.85	84.36	48.67	..	180.14	..	57.27	..	..
Israel	1,055.71	102.28	134.20	926.12	81.94	122.56	19.85	19.49	0.36
Italy	774.99	47.78	71.84	701.10	66.83	111.07	52.04	..	..
Jamaica	1,149.68	26.96	33.49	201.72	19.36	137.03	6.64	3.66	2.97
Japan	7,172.42	146.24	23.56	177.63	85.08	553.33	12.46	..	..
Jordan	898.81	142.85	244.91	200.64	92.87	713.30	17.79	17.19	0.60
Kazakhstan	..	40.06	..	..	49.51	..	2.79	..	..
Kenya	381.62	38.99	178.49	75.48	27.77	642.80	4.38	..	..
Korea, Rep. of	..	61.55	..	..	67.01	..	12.27	..	..
Kuwait	..	52.03	..	..	52.27	..	16.47	..	..
Kyrgyz Republic	145.59	17.49	170.99	23.31	13.25	808.72	6.45	4.83	1.62
Lao PDR	..	25.53	..	..	16.87	..	1.64	..	..
Latvia	1,205.16	55.91	53.80	653.17	90.40	160.51	14.64	..	..
Lebanon	1,371.98	338.49	332.69	519.89	93.38	242.20	28.83	15.67	13.16
Lesotho	254.41	31.32	202.38	38.98	10.56	445.26	2.12	2.12	..
Liberia	102.08	31.76	545.23	3.67	15.76	7,528.90	1.85	1.85	..
Lithuania	4,190.10	34.91	9.83	353.53	52.19	174.25	25.90	..	..
Macedonia, FYR	..	44.74	..	463.86	41.35	109.29	25.69	25.45	0.24
Madagascar	..	19.90	..	..	10.84	..	1.49	..	..
Malawi	163.44	27.94	319.05	16.52	18.45	2,084.29	2.16	1.10	1.06
Malaysia	2,063.33	105.45	72.96	963.60	113.16	167.64	11.44	9.55	1.89
Mali	116.02	..	..	..	..	..	3.48	..	..
Mauritania	..	..	..	..	..	..	3.89	3.89	..
Mauritius	2,109.04	92.10	56.85	479.24	64.10	174.10	20.11	10.16	9.95
Mexico	1,096.76	15.08	19.38	..	13.36	..	14.67	13.22	1.44
Moldova	..	35.47	..	..	5.90	..	9.57	9.37	0.20
Mongolia	2,089.32	37.99	24.75	259.66	35.11	184.09	53.99	10.45	43.54
Montserrat	3,680.04	..	..	246.48	..	..	54.23	54.23	..
Morocco	265.28	53.08	280.98	..	51.31	..	9.92	..	..
Mozambique	140.50	38.40	488.58	..	26.83	..	2.89	..	..
Namibia	757.61	38.14	80.38	209.80	46.87	356.74	7.25	7.25	..
Nepal	..	57.62	..	..	40.70	..	4.19	..	..
Netherlands	1,765.79	217.89	150.38	1,085.06	322.40	362.11	25.36	..	..
New Zealand	..	57.19	..	..	131.34	..	35.41	..	..
Nicaragua	..	38.52	..	..	28.03	..	..	..	..
Niger	25.07	..	..	..	..	..	..	..	..
Nigeria	461.21	31.69	119.88	..	28.36	..	6.42	..	..
Norway	..	82.28	..	..	84.00	..	34.49	..	..
Oman	1,042.61	43.70	..	412.79	47.28	..	22.61	..	..
Pakistan	229.49	29.72	206.50	34.67	21.67	996.76	8.68	5.97	2.51
Panama	411.92	95.29	328.35	349.66	80.79	327.94	18.52	18.52	..
Papua New Guinea	..	53.93	..	..	24.05	..	1.71	..	..
Paraguay	108.74	37.16	521.21	118.58	23.19	298.25	6.78	..	..
Peru	783.37	26.81	49.40	317.22	24.07	109.54	7.31	6.01	1.30
Philippines	499.10	48.61	148.21	..	26.27	..	11.81	4.33	7.48

TABLE 1 (CONTINUED)

Financial access: Commercial banks

	Deposits			Loans			Outreach		
							Branches per 100,000 adults		
Economy	Accounts per 1,000 adults	Value (% of GDP)	Average account value (% of income per capita)	Accounts per 1,000 adults	Value (% of GDP)	Average value (% of income per capita)	Total	Urban	Rural
Poland	1,626.41	30.27	21.95	..	33.93	..	32.21	..	..
Portugal	..	78.09	..	..	141.22	..	68.08	..	..
Puerto Rico	1,300.23	69.57	..	..	69.21	..	15.72	..	..
Romania	..	27.42	..	344.42	32.69	111.97	35.00	29.43	5.56
Russian Federation	..	25.34	..	..	38.85	..	2.62	..	..
Rwanda	226.15	16.79	128.48	..	13.98	..	1.87	..	..
Senegal	109.35	..	..	..	..	..	4.05	..	..
Serbia	..	50.17	..	..	43.89	..	43.36	..	..
Sierra Leone	98.62	21.47	383.61	9.68	9.83	1,789.61	2.31	1.93	0.38
Singapore	2,236.25	280.88	151.53	914.55	213.43	281.55	10.54	10.54	..
Slovak Republic	1,857.83	62.73	40.03	..	54.45	..	26.64	..	..
Slovenia	1,380.42	102.07	85.84	..	99.20	..	10.99	..	..
South Africa	839.13	92.92	159.93	..	95.96	..	8.00	..	..
Spain	780.47	46.66	70.11	339.46	68.07	235.15	38.19	..	..
Sri Lanka	1,891.74	39.52	27.58	..	29.86	..	9.05	..	..
St. Kitts and Nevis	4,366.64	204.20	77.72	663.74	158.04	395.75	57.44	50.68	6.76
St. Lucia	2,504.70	122.28	66.66	373.31	143.37	524.38	18.48	..	..
St. Vincent and the Grenadines	1,690.53	88.40	71.90	256.82	75.68	405.15	15.12	6.30	8.82
Sudan	..	..	..	..	..	..	..	..	..
Swaziland	236.11	22.39	157.96	70.15	14.82	351.73	2.85	2.85	..
Sweden	..	136.93	..	..	152.42	..	25.87	..	..
Switzerland	..	..	..	..	..	..	..	..	..
Syrian Arab Republic	191.47	43.88	354.49	72.94	29.79	631.75	2.42	1.92	0.50
Taiwan, China	5,187.77	172.84	40.04	635.68	136.40	257.87	17.95	17.69	0.27
Tajikistan	30.98	10.28	530.89	..	8.72	..	3.91	1.29	2.62
Tanzania	..	28.94	..	..	..	..	1.84	..	..
Thailand	1,448.84	79.58	70.38	272.45	87.25	410.33	11.04	3.70	7.34
Togo	186.73	..	..	..	..	..	3.47	..	..
Tunisia	639.66	58.58	120.04	193.46	59.08	400.31	14.40	13.89	0.51
Turkey	1,661.21	41.82	34.59	360.67	31.18	118.80	17.77	..	..
Uganda	173.21	19.01	215.18	25.21	12.88	1,001.65	2.25	2.25	..
Ukraine	3,145.32	22.03	8.14	..	50.16	..	2.74	..	..
United Arab Emirates	1,750.65	..	..	..	..	..	20.85	..	..
United Kingdom	2,923.25	61.32	25.44	..	80.64	..	20.74	..	..
United States	2,021.89	43.91	27.30	..	44.81	..	36.33	26.64	9.69
Uruguay	529.39	37.55	92.16	428.56	17.81	53.99	12.62	12.62	..
Uzbekistan	914.92	20.63	32.25	..	20.28	..	4.25	1.51	2.73
Venezuela, R. B. de	1,246.39	30.98	35.59	..	21.61	..	..	..	..
Vietnam	..	0.11	..	..	0.10	..	3.21	1.18	2.03
Yemen, Rep. of	103.90	24.96	430.57	8.25	7.63	1,658.25	1.80	..	..
Zambia	27.59	18.52	1,248.90	17.81	11.13	1,163.23	3.64	2.58	1.06
Zimbabwe	144.36	85.41	..	20.53	35.30	..	..	6.18	0.16

TABLE 2

Financial access: Cooperatives and credit unions

Economy	Regulated by supervisory agency	Deposits: Accounts per 1,000 adults	Deposits: Value (% of GDP)	Deposits: Average account value (% of income per capita)	Loans: Accounts per 1,000 adults	Loans: Value (% of GDP)	Loans: Average value (% of income per capita)	Outreach: Branches per 100,000 adults: Total	Urban	Rural
Albania	Yes	..	0.13	..	8.17	0.37	59.47	..	..	..
Argentina	Yes	0.14	0.01	122.74	6.19	0.04	8.43	0.01	..	..
Australia	Yes	..	4.51	..	..	4.27	..	6.78	5.71	1.07
Austria	Yes	1,529.80	33.12	25.53	..	32.98	..	30.62	..	..
Azerbaijan	Yes	..	..	..	1.46	0.05	49.97	..	..	..
Belarus	No	0.02	0.00	62.35	0.04	0.00	24.04	..	..	..
Belgium	Yes	..	0.04	..	..	..	..	..	..	..
Bolivia	Yes	185.98	5.20	44.17	17.81	3.78	335.95	2.24	1.34	0.90
Botswana	No	8.08	0.12	22.12	7.13	0.10	21.65	..	..	..
Brazil	Yes	3.79	0.69	245.71	18.61	0.73	53.51	3.06	..	..
Burundi	Yes	81.40	2.00	40.27	12.48	2.22	291.17	2.80	0.61	2.19
Canada	Yes	..	13.02	..	..	12.80	..	11.80	..	..
Chile	Yes	73.43	0.62	11.01	42.58	0.62	19.10	1.48	..	..
Colombia	Yes	27.34	0.31	16.08	24.24	0.54	31.41	0.78	0.47	0.31
Costa Rica	Yes	370.58	5.28	19.35	191.75	6.66	47.19	8.47	5.31	3.15
Croatia	Yes	..	0.11	..	..	0.12	..	..	..	..
Czech Republic	Yes	..	0.38	..	..	0.38	..	0.26	..	..
Denmark	Yes	..	0.73	..	..	0.69	..	2.01	..	..
Dominican Republic	Yes	..	4.09	..	25.17	2.93	170.62	2.82	1.80	1.01
Ecuador	Yes	372.06	3.37	13.23	48.15	3.10	93.80	0.36	..	..
El Salvador	Yes	23.35	1.06	68.01	12.63	1.74	205.58	0.80	..	..
Estonia	No	1.25	0.01	8.13	1.46	0.05	36.46	1.75	0.88	0.88
Finland	Yes	..	18.91	..	..	22.19	..	..	..	..
France	Yes	842.05	31.56	45.94	..	35.24	..	32.02	..	..
Gambia, The	Yes	37.00	..	..	..	..	..	5.76	2.51	3.25
Georgia	Yes	0.15	0.00	39.55	..	0.01	..	14.18	14.18	..
Germany	No	..	17.01	..	..	15.80	..	17.43	..	..
Greece	Yes	10.42	1.40	157.01	8.18	1.31	186.71	1.35	..	..
Honduras	No	..	1.19	..	..	2.91	..	..	..	..
Hungary	Yes	..	4.24	..	..	2.26	..	21.64	8.18	13.46
Iceland	Yes	..	..	..	..	..	..	0.40	..	0.40
India	Yes	68.90	6.08	129.25	10.15	4.19	604.43	2.78	0.97	1.82
Ireland	Yes	..	..	..	..	..	..	11.74	..	..
Italy	Yes	195.00	9.77	58.41	113.09	19.10	196.77	14.22	..	..
Jamaica	Yes	982.43	8.31	12.08	23.60	6.39	386.43	2.50	1.17	1.33
Japan	Yes	..	25.97	..	..	14.64	..	8.55	..	..
Korea, Rep. of	Yes	..	19.17	..	..	14.65	..	16.12	..	..
Kyrgyz Republic	Yes	..	..	..	..	0.51	..	..	..	..
Latvia	Yes	8.79	0.04	5.00	4.06	0.05	14.15	..	..	..
Lithuania	Yes	34.43	0.66	22.57	..	0.51	..	6.26	..	..
Malawi	No	12.13	0.03	4.22	30.87	0.34	20.77	..	..	..
Malaysia	No	2.78	0.04	19.16	87.26	0.63	10.25	..	..	..
Mexico	Yes	7.24	0.33	65.01	..	0.36	..	1.58	0.11	1.47
Morocco	Yes	112.36	23.11	288.87	..	18.66	..	3.82	..	..
Mozambique	Yes	..	0.19	..	..	0.00	..	0.10	..	..
Nepal	Yes	..	0.40	..	..	0.37	..	..	..	..
New Zealand	Yes	..	1.32	..	..	1.22	..	..	..	..
Papua New Guinea	Yes	..	1.51	..	..	0.98	..	..	..	..

TABLE 2 (CONTINUED)

Financial access: Cooperatives and credit unions

Economy	Regulated by supervisory agency	Deposits: Accounts per 1,000 adults	Deposits: Value (% of GDP)	Deposits: Average account value (% of income per capita)	Loans: Accounts per 1,000 adults	Loans: Value (% of GDP)	Loans: Average value (% of income per capita)	Outreach: Branches per 100,000 adults: Total	Outreach: Branches per 100,000 adults: Urban	Outreach: Branches per 100,000 adults: Rural
Peru	Yes	..	0.56	..	25.43	0.65	36.78	1.46	0.68	0.13
Philippines	Yes	6.18	0.11	27.07	..	0.11	..	0.20	0.00	0.20
Poland	Yes	202.27	2.79	16.26	..	2.19	..	11.88	..	..
Portugal	Yes	..	6.26	..	..	4.97	..	11.85	..	..
Puerto Rico	No	372.12	5,517.97	..	..	5.01	..	..	..	..
Romania	Yes	..	0.08	..	..	0.09	..	0.37	0.33	0.04
Rwanda	Yes	..	1.47	..	5.92	1.39	406.88	..	..	..
Slovak Republic	Yes	..	0.00	..	..	0.00	..	0.09	..	..
South Africa	Yes	..	0.04	..	..	0.04	..	..	..	..
Spain	Yes	1,797.77	70.68	46.10	429.82	83.39	227.51	75.26	..	..
Sri Lanka	No	..	2.31	..	..	1.75	..	..	..	..
St. Kitts and Nevis	No	..	..	..	..	..	..	13.52	13.52	..
Taiwan, China	No	176.02	4.17	28.45	10.44	2.61	299.90	1.48	1.25	0.24
Tajikistan	No	0.05	0.03	818.50	..	0.01	..	..	..	..
United Kingdom	Yes	..	12.60	..	..	12.18	..	..	..	..
United States	Yes	723.78	8.63	14.99	..	10.41	..	13.05	..	..
Uruguay	Yes	0.83	0.02	33.25	3.32	0.03	11.58	0.04	0.04	..
Uzbekistan	Yes	2.09	0.36	245.55	2.88	0.50	250.05	..	..	..
Vietnam	Yes	..	0.00	..	..	0.00	..	0.04	..	..

TABLE 3

Financial access: Specialized state financial institutions

Economy	Regulated by supervisory agency	Deposits: Accounts per 1,000 adults	Deposits: Value (% of GDP)	Deposits: Average account value (% of income per capita)	Loans: Accounts per 1,000 adults	Loans: Value (% of GDP)	Loans: Average value (% of income per capita)	Outreach: Branches per 100,000 adults: Total	Outreach: Branches per 100,000 adults: Urban	Outreach: Branches per 100,000 adults: Rural
Algeria	No	..	4.54	..	..	..	..	..	..	..
Austria	Yes	0.01	0.21	25,514.96	..	2.05	..	..	..	..
Azerbaijan	Yes	..	..	..	0.39	0.04	148.44	0.18	..	0.18
Bangladesh	No	40.02	2.75	101.04	38.52	2.81	107.39	1.26	0.14	1.11
Botswana	Yes	421.10	1.21	4.34	16.62	2.32	210.73	1.19	0.95	0.24
Brazil	Yes	0.56	0.72	1,753.92	2.20	5.22	3,217.48	1.49	..	..
Burundi	Yes	1.04	0.79	1,245.86	5.59	2.30	673.33	0.04	0.04	..
Canada	Yes	..	1.47	..	..	1.41	..	0.60	..	..
Chile	Yes	1,293.17	12.16	12.25	190.14	12.01	82.26	2.66	2.66	..
Colombia	Yes	..	1.94	..	5.27	3.18	856.96	0.01	0.01	..
Costa Rica	Yes	..	0.09	103,998.10	0.02	0.43	29,317.22	0.03	0.03	..
Czech Republic	Yes	0.75	0.82	1,269.74	..	0.54	..	0.07	..	..
Dominican Republic	Yes	..	0.55	..	0.64	0.34	787.96	0.03	0.03	..
Ecuador	Yes	100.88	3.16	45.65	43.96	4.14	137.36	1.03	..	..
El Salvador	Yes	..	..	..	..	1.15	..	..	..	..
Ethiopia	Yes	0.08	0.13	2,710.00	0.15	2.49	28,780.13	0.07	..	..
France	Yes	0.55	0.01	31.59	..	0.12	..	0.14	..	..
Germany	No	..	28.89	..	..	44.47	..	19.71	..	..
Greece	No	8.48	2.26	311.25	20.52	2.40	136.41	0.04	..	..
Honduras	Yes	31.58	0.31	15.87	4.17	..	..	0.07	0.07	..
Hungary	Yes	..	0.12	..	..	3.00	..	..	..	..
Iceland	Yes	..	..	..	..	38.08	..	..	..	..
Iran, Islamic Rep. of	Yes	..	8.01	..	..	11.10	..	6.09	..	..
Ireland	No	..	..	..	..	..	..	27.72	..	..
Japan	Yes	..	0.61	..	..	5.59	..	0.24	..	..
Jordan	No	..	..	..	..	1.77	..	0.91	..	..
Korea, Rep. of	Yes	..	16.78	..	..	31.56	..	3.77	..	..
Kuwait	Yes	..	..	..	..	..	..	0.10	..	..
Kyrgyz Republic	Yes	..	..	..	..	2.59	..	..	..	..
Lesotho	Yes	64.96	1.23	31.05	..	..	..	0.98	0.57	0.41
Macedonia, FYR	Yes	..	..	..	..	0.01	3,400.53	..	..	..
Malaysia	Yes	1,146.06	13.71	17.08	113.07	12.09	152.60	4.26	..	..
Mexico	Yes	63.20	0.15	3.40	..	0.07	..	0.75	0.48	0.28
Morocco	Yes	34.50	9.62	391.63	..	11.67	..	2.17	..	..
Nepal	Yes	..	4.91	..	..	..	..	1.39	..	..
Nigeria	Yes	..	..	..	..	0.29	..	0.26	..	..
Norway	No	..	..	..	..	7.36	..	..	..	..
Oman	Yes	..	0.03	..	..	1.28	..	1.22	..	..
Pakistan	Yes	11.32	0.21	29.39	8.37	1.14	216.66	0.52	0.34	0.18
Panama	No	351.35	28.23	114.04	62.51	13.37	303.54	4.64	4.64	..
Peru	Yes	242.89	4.04	24.02	30.83	0.60	28.20	2.25	0.52	1.74
Philippines	Yes	55.60	5.07	138.83	..	3.27	..	0.71	0.15	0.56
Portugal	Yes	..	6.26	..	..	4.97	..	11.85	..	..
Puerto Rico	Yes	..	8.62	..	..	8.14	..	..	..	..
Romania	Yes	..	..	..	..	..	..	0.07	0.07	..
Rwanda	Yes	..	..	..	0.16	1.82	19,750.08	..	..	..
Sierra Leone	Yes	..	..	..	..	..	..	0.03	..	..
Slovak Republic	Yes	..	0.25	..	..	0.55	..	0.24	..	..

TABLE 3 (CONTINUED)

Financial access: Specialized state financial institutions

		Deposits			Loans			Outreach		
								Branches per 100,000 adults		
Economy	**Regulated by supervisory agency**	Accounts per 1,000 adults	Value (% of GDP)	Average account value (% of income per capita)	Accounts per 1,000 adults	Value (% of GDP)	Average value (% of income per capita)	Total	Urban	Rural
Slovenia	Yes	..	5.43	..	..	7.59	..	..	..	..
South Africa	Yes	..	0.13	..	..	0.63	..	..	..	..
Spain	No	0.01	0.12	21,241.52	0.06	1.40	27,244.42	..	..	..
Sri Lanka	Yes	1,016.32	7.76	10.09	..	2.96	..	2.65	..	..
St. Kitts and Nevis	No	..	..	..	..	..	..	6.76	6.76	..
Swaziland	Yes	147.38	3.60	40.69	20.55	5.71	462.61	1.28	1.28	..
Syrian Arab Republic	Yes	2.45	0.90	571.29	25.64	1.50	90.55	0.77	0.41	0.36
Taiwan, China	No	1,483.83	35.56	28.80	0.56	0.02	42.10	7.11	6.73	0.38
Tajikistan	Yes	17.07	1.32	123.64	..	0.11	..	1.76	..	..
Tunisia	No	503.70	12.17	31.66	..	..	..	13.00	6.89	6.11
Turkey	No	..	..	..	0.02	0.72	44,376.91	0.04	..	..
United States	No	..	..	..	..	4.02	..	..	..	..
Uruguay	No	..	0.79	..	..	4.40	..	0.31	..	..
Venezuela, R. B. de	Yes	0.72	..	..	..	..	..	..	..	..
Yemen, Rep. of	Yes	37.79	..	..	..	..	..	..	..	..
Zambia	Yes	16.59	0.19	21.00	4.57	0.22	88.64	0.41	0.25	0.16
Zimbabwe	Yes	34.24	2.11	..	1.77	1.27	..	1.06	0.66	0.40

TABLE 4

Financial access: Microfinance institutions

Economy	Regulated by supervisory agency	Deposits: Accounts per 1,000 adults	Deposits: Value (% of GDP)	Deposits: Average account value (% of income per capita)	Loans: Accounts per 1,000 adults	Loans: Value (% of GDP)	Loans: Average value (% of income per capita)	Outreach: Branches per 100,000 adults: Total	Outreach: Branches per 100,000 adults: Urban	Outreach: Branches per 100,000 adults: Rural
Azerbaijan	Yes	..	..	..	27.98	0.42	20.06	0.83	0.12	0.70
Bangladesh	No	..	3.62	..	342.77	4.13	17.72	2.36	..	2.36
Benin	Yes	174.07	..	..	22.10	..	..	4.55	..	..
Bolivia	Yes	171.74	4.98	45.81	53.99	5.02	147.06	4.96	3.18	1.78
Bosnia and Herzegovina	Yes	..	..	..	..	2.47	..	12.60	7.07	5.53
Botswana	Yes	3.97	..	0.71	0.23	..	6.19	1.11	0.08	1.03
Brazil	Yes	1.09	..	..	0.04	..	37.13	0.03	..	..
Burkina Faso	Yes	100.35	..	..	..	..	..	4.75	..	..
Burundi	Yes	7.35	0.34	75.46	3.74	0.45	199.15	0.47	0.28	0.18
Cambodia	Yes	10.63	0.10	14.18	89.99	3.12	52.62	..	..	..
Côte d'Ivoire	Yes	95.12	..	..	4.13	..	..	2.12	..	..
El Salvador	Yes	0.36	0.03	128.60	9.39	0.29	45.50	..	..	..
Ethiopia	Yes	50.35	0.67	23.81	50.35	1.43	50.74	0.96	..	..
Gambia, The	Yes	166.83	..	..	5.41	..	..	12.04	2.09	9.95
Georgia	Yes	..	..	..	29.25	0.61	25.10	14.18	14.18	..
Ghana	Yes	..	2.00	..	..	1.16	..	3.17	..	..
Honduras	No	..	0.04	..	..	..	..	1.25	1.25	..
Indonesia	Yes	2.45	0.33	186.68	17.03	0.52	42.39	0.58	..	..
Kenya	Yes	8.00	3.06	669.55	5.97	0.13	36.68	0.02	..	..
Kyrgyz Republic	Yes	..	..	..	..	4.18	..	..	..	..
Madagascar	Yes	33.29	0.33	17.26	8.36	0.52	110.12	2.99	1.04	1.95
Malaysia	No	..	..	..	19.03	0.22	16.17	1.55	..	..
Mali	Yes	107.11	..	..	36.07	..	..	14.76	..	..
Mexico	Yes	30.24	0.07	3.12	8.37	0.07	12.35	1.05	0.94	0.11
Morocco	Yes	..	..	..	..	0.82	..	..	..	..
Mozambique	Yes	..	..	..	..	0.06	..	0.90	..	..
Nepal	Yes	..	0.20	..	..	0.84	..	1.94	..	..
Nicaragua	Yes	..	1.77	..	..	4.03	..	..	..	..
Niger	Yes	26.83	..	..	4.26	..	..	1.64	..	..
Nigeria	Yes	34.00	..	..	..	0.17	..	2.87	..	..
Pakistan	Yes	20.68	0.05	3.87	17.12	0.15	13.79	1.42	..	..
Panama	Yes	5.50	0.32	81.89	5.01	0.38	106.90	0.54	0.54	..
Papua New Guinea	Yes	..	0.39	..	..	0.08	..	..	..	..
Peru	Yes	84.88	1.90	32.32	75.04	2.40	46.23	3.78	1.57	2.21
Philippines	Yes	8.41	0.02	3.73	..	0.02	..	0.47	0.04	0.43
Rwanda	Yes	..	0.47	..	11.00	0.59	92.53	..	..	..
Senegal	Yes	96.72	..	..	34.41	..	..	8.75	..	..
Sierra Leone	Yes	..	..	..	..	..	..	0.10	..	..
South Africa	Yes	..	0.04	..	..	0.57	..	..	..	..
Sudan	Yes	..	..	..	..	..	..	0.04	0.04	..
Syrian Arab Republic	Yes	0.06	..	8.26	1.13	0.03	37.74	0.06	0.06	..
Tajikistan	No	..	0.12	..	..	0.09	..	..	..	..
Togo	Yes	104.26	..	..	15.78	..	..	4.25	..	..
Tunisia	No	..	..	..	29.77	0.34	15.00	4.48	4.29	0.19
Uganda	Yes	22.52	0.12	10.75	8.07	0.33	79.85	0.47	0.47	..
Uzbekistan	Yes	..	..	..	1.17	0.02	26.23	..	..	..
Yemen, Rep. of	Yes	2.93	..	1.35	3.27	0.42	228.29	0.27	..	..
Zambia	Yes	0.17	0.01	124.03	53.47	0.58	20.22	1.56	1.39	0.18
Zimbabwe	Yes	..	..	..	0.76	0.23	..	1.07	0.85	0.23

TABLE 5

Outreach: ATMs and POS terminals

Economy	Automated teller machines: Per 100,000 adults	Automated teller machines: Per 1,000 sq. km.	Point-of-sale terminals: Per 100,000 adults	Point-of-sale terminals: Per 1,000 sq. km.
Afghanistan	0.38	0.09	2.75	0.67
Albania	31.11	27.04	183.45	159.49
Algeria	5.75	0.60	..	..
Anguilla	137.67	..	3,937.23	..
Antigua and Barbuda	71.81	102.27	1,881.31	2,679.55
Argentina	36.85	4.01	..	..
Armenia	28.71	24.89	111.24	96.45
Australia	156.69	3.52	4,039.64	90.83
Austria	118.86	102.01	4,174.11	3,582.38
Azerbaijan	25.89	20.49	132.33	104.73
Belarus	32.76	13.02	336.04	133.53
Belgium	138.32	407.24	1,193.42	3,513.66
Bolivia	17.53	0.99	..	..
Bosnia and Herzegovina	24.45	15.20	473.03	294.02
Botswana	21.46	0.48	288.68	6.43
Brazil	112.06	18.73	2,247.41	375.56
Bulgaria	80.42	48.87	789.56	479.77
Burundi	0.08	0.16	..	..
Cambodia	4.19	2.30	34.13	18.72
Canada	218.55	6.66	2,556.01	77.93
Cape Verde	38.80	30.27	443.97	346.40
Chile	58.74	10.10	486.07	83.56
Colombia	29.56	8.36	441.06	124.72
Costa Rica	181.52	118.39	1,695.31	1,105.72
Croatia	95.89	64.40	2,284.79	1,534.41
Czech Republic	39.91	46.25	868.98	1,006.95
Dominica	36.21	26.67	1,032.01	760.00
Dominican Republic	27.11	37.58	..	..
Ecuador	12.80	4.27	..	..
El Salvador	27.21	53.96	520.83	1,032.67
Estonia	88.25	23.73	1,345.73	361.90
Ethiopia	0.14	0.06	..	..
Finland	38.31	5.56	64.29	9.33
France	105.27	96.89	2,456.92	2,261.41
Gambia, The	3.04	2.90	..	..
Georgia	37.00	19.27	211.32	110.04
Germany	112.18	228.00	836.53	1,700.24
Ghana	4.77	3.00	..	..
Greece	80.58	60.26	3,848.25	2,877.85
Grenada	47.47	105.88	873.01	1,947.06
Guatemala	21.85	15.92	414.69	302.09
Honduras	23.38	9.38	..	..
Hungary	55.62	52.99	831.30	791.88
Iceland	82.19	2.05	..	..
India	7.29	19.08	67.06	175.55
Indonesia	14.44	13.22	117.89	107.91
Iran, Islamic Rep. of	29.79	9.95	2,038.07	680.42
Ireland	95.74	49.24	2,258.04	1,161.27

TABLE 5 (CONTINUED)

Outreach: ATMs and POS terminals

Economy	Automated teller machines		Point-of-sale terminals	
	Per 100,000 adults	Per 1,000 sq. km.	Per 100,000 adults	Per 1,000 sq. km.
Israel	104.33	254.34	..	..
Italy	97.81	170.82	2,091.02	3,652.04
Jamaica	22.25	38.69	708.42	1,231.95
Jordan	26.27	11.41	..	..
Kazakhstan	52.10	2.31	170.86	7.57
Kenya	8.28	3.21	..	..
Kuwait	53.42	62.63	1,040.14	1,219.42
Lao PDR	3.49	0.58	..	..
Latvia	67.56	21.19	1,219.32	382.49
Lebanon	39.32	117.99	1,382.77	4,149.07
Lesotho	6.68	2.70	..	..
Liberia	1.43	0.32	1.43	0.32
Lithuania	54.23	24.62	1,362.28	618.36
Macedonia, FYR	50.06	32.72	1,476.34	964.92
Malawi	2.65	2.16	4.44	3.61
Malaysia	53.99	31.07	1,063.09	611.81
Mauritius	39.09	187.68	763.80	3,667.49
Mexico	44.80	17.39	592.14	229.84
Mongolia	15.10	0.19	194.13	2.40
Montserrat	54.23	..	1,111.71	..
Morocco	18.63	9.29	89.93	44.81
Mozambique	5.09	0.79	38.31	5.94
Namibia	30.51	0.49	337.61	5.43
Nepal	1.81	2.27	..	..
Netherlands	64.14	255.43	2,343.41	9,332.41
New Zealand	73.13	9.25	4,268.13	539.81
Norway	56.85	7.20	3,014.45	382.01
Oman	45.91	2.81	..	..
Pakistan	4.06	5.49	48.98	66.16
Panama	40.56	13.03	..	..
Peru	22.26	3.47	53.96	8.42
Philippines	14.25	28.37	..	..
Poland	49.14	51.85	666.71	703.52
Portugal	206.94	203.38	..	..
Puerto Rico	40.23	142.28	1,523.98	5,389.18
Romania	53.21	42.19	540.33	428.39
Russian Federation	76.51	5.65	293.05	21.63
Rwanda	0.46	1.05	1.67	3.81
Serbia	45.10	30.82	978.07	668.37
Sierra Leone	1.14	0.50	1.52	0.67
Singapore	49.83	2,901.31	2,091.42	121,764.90
Slovak Republic	49.34	46.78	713.06	676.03
Slovenia	101.67	88.68	1,871.85	1,632.72
South Africa	52.41	14.55	89,086.84	24,728.07
Spain	154.76	120.47	3,711.27	2,889.09
Sri Lanka	12.29	29.03	..	..
St. Kitts and Nevis	94.61	107.69	2,328.02	2,650.00
St. Lucia	31.33	63.93	902.14	1,840.98

TABLE 5 (CONTINUED)

Outreach: ATMs and POS terminals

	Automated teller machines		Point-of-sale terminals	
Economy	Per 100,000 adults	Per 1,000 sq. km.	Per 100,000 adults	Per 1,000 sq. km.
St. Vincent and the Grenadines	23.94	48.72	656.47	1,335.90
Sudan	2.03	0.21	5.60	0.59
Swaziland	18.68	7.62	81.00	33.02
Sweden	36.63	6.86	..	..
Switzerland	93.06	150.00	1,985.35	3,200.00
Syrian Arab Republic	2.67	1.99	2.22	1.65
Taiwan, China	132.75	787.32	1,141.95	6,772.72
Tajikistan	3.98	1.21	2.11	0.64
Tanzania	3.44	0.91	16.14	4.28
Thailand	71.32	73.42	..	..
Tunisia	17.26	8.75	121.65	61.68
Turkey	44.25	30.92	3,232.79	2,259.17
Uganda	3.29	2.69	4.53	3.71
Ukraine	71.34	49.01	187.17	128.60
United Arab Emirates	99.27	43.05	..	..
United Kingdom	122.84	257.07	2,330.70	4,877.44
United States	175.69	46.39	..	..
Uruguay	30.59	4.49	272.76	40.00
Uzbekistan	1.05	0.47	317.50	142.53
Venezuela, R. B. de	28.19	6.24	..	..
Yemen, Rep. of	2.84	0.69	16.98	4.14
Zambia	6.35	0.58	13.11	1.20
Zimbabwe	7.83	1.51	33.69	6.49

TABLE 6

Financial inclusion: Aspects under the purview of the financial regulator

A = Agency is responsible

A+ = Agency is responsible and has a dedicated team or unit

Economy	Consumer protection	Financial capability	Regulation of microfinance	Promoting savings	Promoting SME access to finance	Promoting access in rural areas	Strategy document to improve financial inclusion
Afghanistan	A	A+	A		A+	A+	✔
Albania	A+	A	A+				
Algeria	A+		A+				
Anguilla		A+			A+		
Antigua and Barbuda		A+			A+		
Argentina	A+	A+	A+	A+	A+	A+	✔
Armenia	A+	A+	A+	A			✔
Australia			A				
Austria			A				
Azerbaijan	A+	A+	A+			A+	✔
Belarus		A	A	A		A	✔
Benin	A+		A+	A	A+	A+	✔
Bolivia		A+		A	A	A+	
Bosnia and Herzegovina			A+				
Botswana	A	A+	A+	A	A+	A+	
Brazil	A+	A+	A	A		A	✔
Burkina Faso	A+		A+	A	A+	A+	✔
Cambodia	A	A+	A+	A	A	A	
Canada	A+	A+					
Cape Verde	A+	A	A+				
Chile	A+	A+					
China							✔
Colombia	A+	A+	A+				✔
Côte d'Ivoire	A+		A+	A	A+	A+	✔
Croatia	A						
Czech Republic	A+						
Denmark	A+	A					
Dominica		A+			A+		
Dominican Republic	A+						
Ecuador	A+	A+	A				✔
El Salvador	A+	A+	A+	A			
Estonia	A+	A+					
Ethiopia	A	A	A+	A+	A	A+	✔
Finland	A+	A+					
France	A+	A+	A+		A+		
Gambia, The	A+	A+	A+	A+	A+	A+	✔
Georgia			A+				
Ghana	A+	A+	A+		A+	A+	✔
Grenada		A+			A+		
Guatemala	A+	A+					✔
Guinea-Bissau	A+		A+	A	A+	A+	✔
Honduras							✔
Hungary	A+	A+		A+			✔
India	A	A		A	A+	A+	✔
Indonesia	A+	A+	A+	A+	A+	A+	✔
Iran, Islamic Rep. of			A+		A+	A+	✔
Ireland	A+						
Israel	A+	A+					
Italy	A+	A+	A				
Japan	A	A+	A	A	A	A	
Jordan	A+						
Kazakhstan	A+	A+					✔

TABLE 6 (CONTINUED)

Financial inclusion: Aspects under the purview of the financial regulator

A = Agency is responsible

A+ = Agency is responsible and has a dedicated team or unit

Economy	Consumer protection	Financial capability	Regulation of microfinance	Promoting savings	Promoting SME access to finance	Promoting access in rural areas	Strategy document to improve financial inclusion
Kenya			A+	A+	A+	A+	✔
Korea, Rep. of	A+	A+	A+	A+	A+	A	✔
Kuwait			A		A		
Kyrgyz Republic	A		A	A	A	A	✔
Lao PDR			A+		A	+	✔
Lesotho		A+	A+	A+	A+	A+	✔
Liberia	A		A	A	A	A	✔
Macedonia, FYR	+						
Madagascar	A+		A+				✔
Malawi	A+						✔
Malaysia	A+	A+	A+	A+	A+	A+	✔
Mali	A+		A+	A	A+	A+	✔
Mauritania	A+	A+	A+	A+	A+	A+	✔
Mauritius	A+	A+		A			
Mexico			A+				✔
Moldova	A+						
Montserrat		A+			A+		
Morocco	A+	A+			A	A	✔
Mozambique	A+		A+			A+	✔
Namibia	A+	A+	A+				✔
Nepal	A	A+	A+	A	A	A+	✔
Netherlands	+	A					
Niger	A+		A+	A	A+	A+	✔
Nigeria	A+	A+	A+	A+	A+	A+	✔
Norway	A						
Oman	+	A	A	A	A	A	
Pakistan	A+	A+	A+	A+	A+	A+	✔
Panama	A+						
Papua New Guinea			A+				
Paraguay	A						
Peru	A+	A+	A+	A+	A+	A+	✔
Philippines	A+	A+	A+	A+	A+	A+	✔
Poland	A+	A+	A	A	A	A	
Portugal	A+	A+	A+				✔
Puerto Rico	A+	A+		A+		A+	
Russian Federation	A+	A+	A+				✔
Rwanda			A+				✔
Senegal	A+		A+	A	A+	A+	✔
Serbia	A+	A+		A+	A+		
Sierra Leone	A+	A+	A+			A+	✔
Singapore		A+					
Slovenia	A						
Sri Lanka							✔
St. Kitts and Nevis		A+			A+		
St. Lucia		A+			A+		
St. Vincent and the Grenadines		A+			A		
Sudan			A+		A+	A+	
Swaziland	A			A	A	A	
Sweden		A+					
Switzerland	A						
Syrian Arab Republic		A+	A+	A+	A+	A+	✔
Tajikistan	A+	A	A+	A+	A+	A+	✔

TABLE 6 (CONTINUED)

Financial inclusion: Aspects under the purview of the financial regulator

A = Agency is responsible

A+ = Agency is responsible and has a dedicated team or unit

Economy	Consumer protection	Financial capability	Regulation of microfinance	Promoting savings	Promoting SME access to finance	Promoting access in rural areas	Strategy document to improve financial inclusion
Tanzania		A+	A+	A+	A+	A+	✔
Thailand	A+	A+	A+	A	A+	A+	✔
Togo	A+		A+	A	A+	A+	✔
Tunisia		A+		A+			✔
Turkey	A+						
Uganda	A+	A	A+				✔
Ukraine	A	A					
United Kingdom	+	A+					✔
United States	A+	A+					
Uruguay	A+	A+					✔
Uzbekistan	A	A	A	A	A	A	✔
Venezuela, R. B. de	A+	A+	A+	A+			✔
Vietnam	A+		A+		A+	A	✔
Zambia	A	A+	A+	A+	A+	A	✔
Zimbabwe	A+	A	A+	A+	A+	A+	✔

Note: SME = small and medium enterprise.

TABLE 7

Financial inclusion: Areas of reform in 2009

Economy	Consumer protection	Financial capability	Limiting multiple borrowing	Introducing basic accounts	Facilitating SME access to finance	Enabling microfinance	Facilitating access to finance in rural areas	Enabling branchless banking	Revising KYC requirements	Promoting government transfers	Other
Afghanistan	+				+			+	+		
Algeria	+	+	+		+	+	+	+		+	
Anguilla									+		
Argentina		+			+	+	+			+	
Armenia	+	+						+	+		
Austria	+							+			
Azerbaijan	+	+				+	+		+		
Bangladesh	+										
Belarus		+									
Belgium	+		+		+						
Benin						+		+			
Bolivia	+	+			+	+	+				
Bosnia and Herzegovina									+		
Botswana	+	+					+			+	
Brazil		+			+				+		
Bulgaria	+	+		+	+	+					+
Burkina Faso						+		+			
Cambodia			+		+					+	
Canada	+	+	+		+						
Cape Verde	+					+			+		
Chile					+						
China							+				
Colombia	+	+		+		+	+	+	+	+	
Costa Rica									+		
Côte d'Ivoire						+		+			
Croatia	+	+	+						+		
Czech Republic	+										
Dominican Republic					+					+	
Ecuador	+	+	+	+	+	+	+	+		+	+
El Salvador			+		+	+		+		+	
Ethiopia	+	+	+		+	+	+		+	+	
Finland	+								+		
France	+		+	+	+				+		
Gambia, The	+	+	+		+	+	+	+	+		
Ghana		+	+	+			+	+	+		
Guatemala	+								+		
Guinea-Bissau						+		+			
Honduras	+								+		
Hong Kong SAR, China											+
Hungary	+		+						+		+
India		+		+	+	+	+	+		+	
Indonesia	+	+		+	+		+				
Iran, Islamic Rep. of	+		+		+	+			+	+	
Ireland	+				+						

TABLE 7 (CONTINUED)

Financial inclusion: Areas of reform in 2009

Economy	Consumer protection	Financial capability	Limiting multiple borrowing	Introducing basic accounts	Facilitating SME access to finance	Enabling microfinance	Facilitating access to finance in rural areas	Enabling branchless banking	Revising KYC requirements	Promoting government transfers	Other
Israel	+								+		+
Italy	+			+							
Japan	+				+						
Jordan	+										
Kazakhstan	+	+	+		+				+		
Kenya					+	+	+	+			
Korea, Rep. of	+	+			+	+	+		+		
Kuwait	+	+	+	+					+		
Kyrgyz Republic	+				+	+	+		+	+	
Lao PDR					+	+	+				
Latvia		+			+	+	+				
Lebanon	+	+			+				+		
Lesotho		+	+		+	+	+	+		+	
Liberia	+		+		+	+	+		+	+	
Lithuania	+		+					+	+		
Macedonia, FYR									+		
Madagascar			+			+	+				+
Malawi	+	+				+	+	+			
Malaysia	+	+	+	+	+	+	+	+	+	+	
Mali						+		+			
Mauritius	+										
Mexico	+		+			+	+	+	+		+
Moldova	+										
Montserrat									+		
Morocco	+		+	+	+		+	+			
Mozambique	+			+				+			
Namibia				+							
Nepal		+				+	+	+	+		
New Zealand	+	+							+		
Nicaragua	+								+		
Niger						+		+			
Nigeria	+	+	+	+	+	+	+	+	+	+	
Oman	+		+	+	+		+		+	+	
Pakistan	+	+	+	+	+	+	+	+	+		
Panama		+	+								
Papua New Guinea		+				+	+		+		
Paraguay		+							+		
Peru	+	+	+			+		+	+		
Philippines	+	+	+		+	+	+	+	+		
Portugal	+		+		+	+			+		+
Puerto Rico		+								+	
Russian Federation					+	+	+	+			
Rwanda			+		+	+	+	+		+	
Senegal						+		+			

TABLE 7 (CONTINUED)

Financial inclusion: Areas of reform in 2009

Economy	Consumer protection	Financial capability	Limiting multiple borrowing	Introducing basic accounts	Facilitating SME access to finance	Enabling microfinance	Facilitating access to finance in rural areas	Enabling branchless banking	Revising KYC requirements	Promoting government transfers	Other
Serbia									+		
Sierra Leone		+				+		+	+		
Singapore	+				+				+		
Slovak Republic		+						+	+		
Spain	+	+									
Sri Lanka	+	+			+		+	+	+		
St. Kitts and Nevis									+		
Sudan			+		+	+	+	+	+		
Swaziland	+		+		+		+		+	+	+
Switzerland	+								+		
Syrian Arab Republic		+	+	+	+	+	+			+	
Taiwan, China	+	+			+				+		
Tajikistan	+	+	+		+	+	+	+	+		
Tanzania					+	+					
Thailand		+			+	+	+		+	+	
Togo						+		+			
Turkey					+			+			
Uganda		+	+			+	+	+		+	
Ukraine	+	+	+								
United Kingdom	+	+	+		+	+	+			+	
United States	+										
Uruguay	+	+			+	+					+
Uzbekistan				+	+	+	+				
Venezuela, R. B. de	+			+	+		+	+			+
Vietnam			+			+	+	+		+	
Zambia					+		+				
Zimbabwe	+			+	+	+	+	+	+	+	

Note: KYC = know your customer; SME = small and medium enterprise.

TABLE 8
Consumer protection: Compliance monitoring and enforcement by supervisory agency

Economy	**Methods to monitor compliance**	Require FIs to report statistics on number of complaints	Operate call center to receive complaints	Monitor providers' advertisements, Web sites, etc.	Mystery/incognito shopping	Interviews, focus groups, and consumer research	Onsite inspection and investigation of FIs	**Actions for enforcement**	Issue warnings to FIs	Require providers to refund excess charges	Require providers to withdraw misleading advertisements	Impose fines and penalties	Issue public notice of violations	Withdraw the offending provider's license to operate
Afghanistan		+					+		+	+	+	+		
Albania				+			+		+		+	+		+
Algeria							+		+	+		+		+
Argentina				+		+	+		+		+	+		
Armenia			+	+			+		+		+	+	+	+
Australia			+	+	+	+	+							
Austria			+	+			+		+		+	+	+	+
Azerbaijan			+	+		+	+		+	+	+	+		+
Belgium			+	+		+			+	+	+	+	+	+
Benin							+							
Bolivia		+	+	+		+						+		
Botswana				+			+		+	+	+	+		
Brazil		+	+				+		+			+		+
Burkina Faso							+							
Cambodia							+		+	+	+	+	+	+
Canada		+	+	+	+	+	+		+		+	+	+	
Cape Verde									+	+	+			
Chile		+	+	+	+		+		+	+	+	+	+	
Colombia		+	+	+			+		+		+	+	+	+
Costa Rica				+					+		+	+		
Cote d'Ivoire							+							
Croatia							+		+					
Czech Republic							+		+		+	+		+
Denmark							+		+		+		+	
Dominican Republic		+	+						+	+				
Ecuador		+	+				+		+	+	+	+		
Estonia				+			+		+	+	+	+	+	+
Ethiopia		+					+		+				+	
Finland			+	+			+		+		+	+	+	+
France		+	+	+			+		+			+	+	+
Gambia, The					+	+	+							
Ghana			+				+		+	+	+	+	+	
Greece		+		+			+		+		+	+	+	
Guatemala									+		+			
Guinea-Bissau							+							
Hungary		+	+	+	+		+		+		+	+	+	+

TABLE 8 (CONTINUED)

Consumer protection: Compliance monitoring and enforcement by supervisory agency

Economy	Methods to monitor compliance	Require FIs to report statistics on number of complaints	Operate call center to receive complaints	Monitor providers' advertisements, Web sites, etc.	Mystery/incognito shopping	Interviews, focus groups, and consumer research	Onsite inspection and investigation of FIs	Actions for enforcement	Issue warnings to FIs	Require providers to refund excess charges	Require providers to withdraw misleading advertisements	Impose fines and penalties	Issue public notice of violations	Withdraw the offending provider's license to operate
India		+		+	+	+	+		+	+		+	+	+
Indonesia		+					+							
Iran, Islamic Rep. of		+	+	+	+		+		+	+	+	+	+	+
Ireland				+	+		+		+	+	+	+	+	+
Israel			+				+		+	+	+	+	+	
Italy				+		+	+		+	+		+	+	+
Japan			+	+			+		+	+	+		+	+
Jordan			+	+			+		+					
Kazakhstan			+	+			+		+	+	+	+	+	+
Kenya				+		+	+		+		+	+		+
Korea, Rep. of			+	+	+		+		+	+	+	+	+	+
Kuwait		+	+	+			+		+	+	+	+	+	+
Kyrgyz Republic			+	+			+		+		+	+		+
Lao PDR			+				+		+			+	+	
Latvia			+	+							+	+		
Lesotho			+				+		+	+	+	+	+	+
Liberia							+		+	+	+	+		
Lithuania				+					+			+	+	
Macedonia, FYR							+					+		
Madagascar							+		+			+		+
Malawi									+					+
Malaysia			+	+	+	+	+		+	+	+			
Mali							+							
Mauritania		+					+		+		+	+		+
Mauritius				+			+		+	+	+	+	+	
Mexico		+	+	+			+		+		+	+	+	
Moldova				+			+		+			+		
Mongolia							+		+		+	+		
Morocco				+			+		+	+	+	+		
Mozambique			+				+		+		+	+		+
Netherlands			+	+		+	+		+		+	+	+	+
Nicaragua							+		+	+	+	+	+	+
Niger							+							
Nigeria		+	+	+	+	+	+		+	+	+	+	+	
Pakistan			+	+			+		+	+		+	+	
Panama		+				+	+							

TABLE 8 (CONTINUED)
Consumer protection: Compliance monitoring and enforcement by supervisory agency

Economy	**Methods to monitor compliance**	Require FIs to report statistics on number of complaints	Operate call center to receive complaints	Monitor providers' advertisements, Web sites, etc.	Mystery/incognito shopping	Interviews, focus groups, and consumer research	Onsite inspection and investigation of FIs	**Actions for enforcement**	Issue warnings to FIs	Require providers to refund excess charges	Require providers to withdraw misleading advertisements	Impose fines and penalties	Issue public notice of violations	Withdraw the offending provider's license to operate
Papua New Guinea							+							
Paraguay							+		+	+		+		
Peru		+	+	+	+		+		+			+		
Philippines		+	+											
Poland				+			+		+		+	+		
Portugal		+		+	+		+		+	+	+	+	+	+
Puerto Rico		+	+	+	+	+	+		+	+	+	+		+
Senegal							+							
Serbia		+					+							
Sierra Leone		+					+					+	+	+
Singapore			+		+		+		+		+	+	+	+
Slovak Republic							+		+			+	+	+
Slovenia							+		+			+		+
South Africa		+	+	+	+	+	+		+	+	+	+	+	+
Spain		+	+	+			+		+		+	+		
Sri Lanka							+		+	+	+	+	+	+
Swaziland		+				+	+		+			+		
Sweden		+												
Switzerland							+		+		+	+	+	+
Syrian Arab Republic									+			+		
Tajikistan									+	+	+	+	+	+
Thailand			+	+			+		+			+		
Togo							+							
Turkey				+			+		+		+	+		
Uganda							+		+	+		+		
Ukraine							+		+			+		+
United Kingdom		+	+	+	+	+	+		+	+	+	+	+	+
United States			+	+			+			+	+	+	+	
Uruguay			+	+			+		+		+	+		+
Uzbekistan		+	+	+			+		+	+	+	+		+
Venezuela, R.B. de			+	+			+		+					
Vietnam		+	+			+	+						+	
Yemen, Rep. of									+			+		
Zambia				+			+		+	+	+	+		+
Zimbabwe		+	+	+			+		+	+	+	+	+	

Note: FI = financial institution.

TABLE 9
Consumer protection: Disclosure requirements at account opening

Economy	**Notify customers in writing of pricing, terms & conditions**	Banks	Other regulated financial institutions	Unregulated financial institutions	**General requirements**	Plain language requirement	Local language requirement	Prescribed, standardized disclosure format	Recourse rights and processes	**Requirements related to deposit products**	Annual percentage yield and interest rate	Method of compounding	Minimum balance requirement	Fees and penalties	Early withdrawal penalties	**Requirements related to credit products**	Annual percentage rate using standard formula	Computation method (av. balance, interest)	Fees	Insurance
Afghanistan		+	+			+	+	+	+		+	+	+	+	+					
Albania		+	+			+	+	+			+		+	+	+		+	+	+	
Algeria		+	+			+	+		+		+	+	+	+	+		+	+	+	+
Argentina		+	+	+		+	+				+	+	+	+	+		+	+	+	+
Armenia		+				+	+	+	+		+	+	+	+	+		+	+	+	+
Australia		+	+																	
Austria		+	+			+	+				+	+		+	+		+	+	+	+
Azerbaijan		+	+			+	+		+		+	+	+	+	+		+	+	+	+
Belarus				+							+						+			
Belgium		+	+	+		+	+	+			+	+		+	+		+		+	
Benin		+	+	+		+		+												
Bolivia		+	+				+		+		+			+			+	+		
Botswana		+	+			+		+			+	+					+		+	+
Brazil		+	+	+		+	+		+					+			+		+	
Bulgaria		+	+	+		+	+		+		+	+	+		+		+	+	+	+
Burkina Faso		+	+	+		+		+												
Cambodia		+	+																	
Canada		+	+	+		+		+	+		+	+	+	+	+		+	+	+	+
Cape Verde		+	+	+		+	+	+			+		+	+	+		+	+	+	+
Chile		+	+	+		+	+				+		+	+	+		+		+	+
Colombia		+	+			+	+		+		+		+	+			+	+	+	+
Costa Rica		+	+	+		+											+	+	+	+
Cote d'Ivoire		+	+	+		+		+												
Croatia		+	+			+			+		+	+	+	+	+		+	+	+	+
Czech Republic		+	+	+			+										+			
Denmark		+	+	+			+	+	+		+	+		+			+	+	+	+
Dominican Republic		+	+				+		+		+			+	+		+	+	+	
Ecuador		+	+	+		+	+				+			+			+		+	
El Salvador		+	+			+	+				+						+		+	
Estonia		+	+	+		+					+	+	+	+	+		+	+	+	+
Ethiopia		+				+		+			+	+	+	+					+	+
Finland		+	+								+			+	+		+		+	
France		+	+	+		+	+		+		+	+	+	+	+		+	+	+	+
Gambia, The		+	+			+		+			+		+	+				+	+	
Ghana		+	+			+			+		+			+	+		+	+	+	
Greece		+	+			+	+		+		+	+	+	+	+		+	+	+	
Guatemala							+				+		+	+	+				+	
Guinea-Bissau		+	+	+		+		+												
Honduras		+	+			+		+					+				+		+	
Hong Kong SAR, China		+	+			+	+				+	+	+	+	+		+	+	+	+

TABLE 9 (CONTINUED)

Consumer protection: Disclosure requirements at account opening

Economy	Notify customers in writing of pricing, terms & conditions	Banks	Other regulated financial institutions	Unregulated financial institutions	General requirements	Plain language requirement	Local language requirement	Prescribed, standardized disclosure format	Recourse rights and processes	Requirements related to deposit products	Annual percentage yield and interest rate	Method of compounding	Minimum balance requirement	Fees and penalties	Early withdrawal penalties	Requirements related to credit products	Annual percentage rate using standard formula	Computation method (av. balance, interest)	Fees	Insurance
Hungary		+	+	+		+	+	+			+	+	+	+	+		+	+	+	+
India		+	+			+	+	+			+	+	+	+	+			+	+	+
Indonesia		+				+	+	+	+		+	+	+	+	+		+	+	+	+
Iran, Islamic Rep. of		+	+				+		+		+	+	+	+	+		+		+	
Ireland		+	+			+								+			+		+	+
Israel		+									+	+		+	+		+	+	+	+
Italy		+	+			+	+	+	+		+	+	+	+	+		+	+	+	+
Jamaica		+	+			+			+		+	+		+	+		+		+	+
Japan		+	+			+			+		+	+	+	+	+					
Jordan		+				+	+				+	+		+	+		+	+	+	
Kazakhstan		+	+			+	+	+			+									
Korea, Rep. of		+	+			+	+	+	+		+	+	+	+	+		+	+	+	
Kuwait		+	+			+	+										+		+	
Kyrgyz Republic		+	+			+					+	+	+	+	+		+	+	+	+
Lao PDR		+	+			+	+				+		+	+					+	
Latvia		+	+	+		+	+				+			+	+		+	+	+	+
Lebanon		+	+																	
Liberia		+	+								+	+	+	+	+		+		+	+
Lithuania		+	+			+	+		+		+	+		+	+		+	+	+	+
Macedonia, FYR		+	+			+											+	+	+	
Madagascar		+	+								+	+	+				+		+	
Malaysia		+	+			+	+	+	+		+		+	+	+			+	+	+
Mali		+	+	+		+		+												
Mauritania		+	+					+	+		+	+	+	+	+		+	+	+	+
Mauritius		+	+			+		+	+		+	+	+	+	+		+	+	+	+
Mexico		+	+	+		+	+	+			+		+	+			+		+	+
Moldova		+				+	+	+	+		+	+	+	+	+		+	+	+	+
Mongolia		+									+						+		+	
Morocco		+	+			+	+				+	+		+	+		+	+	+	+
Mozambique		+	+			+		+					+	+						
Nepal						+					+							+		
Netherlands		+	+			+	+	+	+		+	+	+	+	+		+	+	+	+
New Zealand		+	+	+					+		+	+	+	+	+		+	+	+	
Nicaragua		+	+			+	+	+	+					+	+		+	+	+	
Niger		+	+	+		+		+												
Nigeria		+	+					+			+		+	+	+		+	+	+	+
Norway		+	+			+					+			+				+	+	
Oman		+	+			+	+	+	+		+	+	+	+	+		+	+	+	+
Pakistan		+	+			+		+	+		+		+	+	+		+		+	+
Panama		+				+	+	+	+		+		+	+	+		+	+	+	+

TABLE 9 (CONTINUED)

Consumer protection: Disclosure requirements at account opening

Economy	**Notify customers in writing of pricing, terms & conditions**	Banks	Other regulated financial institutions	Unregulated financial institutions	**General requirements**	Plain language requirement	Local language requirement	Prescribed, standardized disclosure format	Recourse rights and processes	**Requirements related to deposit products**	Annual percentage yield and interest rate	Method of compounding	Minimum balance requirement	Fees and penalties	Early withdrawal penalties	**Requirements related to credit products**	Annual percentage rate using standard formula	Computation method (av. balance, interest)	Fees	Insurance
Papua New Guinea		+	+								+		+	+	+		+		+	+
Paraguay		+	+			+											+		+	+
Peru		+	+	+		+	+	+	+		+		+	+			+	+	+	
Philippines		+	+					+			+	+	+	+			+	+	+	
Poland		+	+	+		+	+		+		+	+	+	+	+		+	+	+	+
Portugal		+	+			+		+	+		+	+	+	+	+		+	+	+	+
Puerto Rico		+	+			+	+	+	+		+	+	+	+	+		+	+	+	
Russian Federation		+					+				+		+	+	+		+		+	+
Rwanda		+	+			+	+	+	+		+	+	+	+	+		+	+	+	+
Senegal		+	+	+		+		+												
Serbia		+	+					+			+	+		+	+		+	+	+	+
Sierra Leone		+	+			+		+			+	+		+			+			
Singapore		+	+			+											+	+	+	
Slovak Republic		+	+			+		+			+			+			+	+	+	+
Slovenia		+	+			+	+				+	+		+			+	+	+	
South Africa		+	+	+				+	+									+	+	+
Spain		+	+			+	+		+		+			+	+		+	+	+	
Swaziland		+	+								+	+	+	+	+		+	+	+	
Sweden		+	+			+											+	+	+	
Switzerland		+	+				+	+			+	+	+	+	+		+	+	+	
Syrian Arab Republic		+	+				+				+		+	+	+			+		+
Taiwan, China		+	+			+	+	+	+		+	+	+	+	+		+	+	+	+
Tajikistan		+	+								+	+	+	+	+		+	+	+	+
Thailand		+	+				+	+			+	+	+	+	+		+	+	+	
Togo		+	+	+		+		+												
Tunisia		+	+						+		+		+	+	+		+	+	+	+
Turkey		+	+			+		+	+											
Ukraine		+				+			+		+		+	+	+		+		+	+
United Arab Emirates		+						+										+		
United Kingdom		+	+	+		+		+	+		+		+	+	+		+	+	+	
United States		+	+	+				+	+		+	+	+	+			+	+	+	+
Uruguay		+	+	+		+	+	+	+		+	+	+	+			+	+	+	+
Uzbekistan		+	+	+		+	+	+	+		+	+		+			+	+	+	
Venezuela, R.B. de		+	+	+		+	+	+	+		+	+	+	+	+		+	+	+	+
Vietnam		+	+	+		+	+	+	+		+	+					+	+		+
Yemen, Rep. of		+				+	+				+	+	+	+			+	+	+	
Zambia		+	+			+		+	+		+	+	+	+			+	+	+	+
Zimbabwe		+	+			+					+	+	+	+	+		+	+	+	

TABLE 10
Consumer protection: Requirements for periodic disclosure

Economy	**Provide periodic statements**	Banks	Other regulated financial institutions	Unregulated financial institutions	**General requirements**	Statement includes information on dispute procedures	**Requirements related to deposit products**	Annual percentage yield calculation	Amount of interest earned	Fees imposed	Account balance	**Requirements related to credit products**	All account transactions during the period	Annual percentage rate	Interest charged for the period	Fees charged for the period	Minimum amount due	Date due	Outstanding balance
Afghanistan								+	+	+	+		+	+	+	+			
Albania		+						+	+	+	+			+	+	+	+	+	+
Algeria		+	+			+		+	+	+	+		+	+	+	+	+	+	+
Argentina						+		+	+	+	+		+	+	+	+	+	+	+
Armenia		+				+		+	+	+	+		+	+	+	+	+	+	+
Austria		+	+			+													
Azerbaijan						+		+	+	+	+		+	+	+	+	+	+	+
Belarus								+	+		+			+	+		+	+	+
Belgium			+										+	+	+	+	+	+	+
Benin		+	+							+	+		+			+			+
Bolivia		+	+								+			+			+	+	+
Botswana						+													
Brazil		+	+					+		+				+		+			
Bulgaria		+	+										+	+	+	+	+	+	+
Burkina Faso		+	+							+	+		+			+			+
Canada		+	+			+		+	+	+	+		+	+	+	+	+	+	+
Cape Verde									+	+	+		+	+	+	+	+	+	+
Chile		+	+			+		+	+	+	+		+	+	+	+	+	+	+
Colombia		+	+			+		+	+	+	+		+	+	+	+	+	+	+
Costa Rica						+								+			+		+
Côte d'Ivoire		+	+							+	+		+			+			+
Croatia		+	+			+		+	+	+			+	+	+	+	+	+	+
Czech Republic		+								+									
Denmark		+	+			+		+	+	+	+		+	+	+	+	+	+	+
Ecuador						+		+	+	+	+			+	+	+			
El Salvador		+	+					+	+	+	+		+	+	+	+		+	+
Estonia		+	+										+						
Ethiopia						+		+	+	+	+		+	+	+	+		+	+
Finland										+	+		+		+	+	+		
France		+	+			+		+	+	+	+		+	+	+	+		+	+
Gambia, The									+	+	+		+	+	+	+	+	+	+
Ghana		+	+			+		+	+		+		+	+	+	+	+	+	+
Greece		+	+			+		+	+	+	+		+	+	+	+	+	+	+
Guatemala		+	+					+	+	+	+								
Guinea-Bissau		+	+							+	+		+			+			+
Honduras						+		+	+	+	+		+	+	+	+	+	+	+

TABLE 10 (CONTINUED)

Consumer protection: Requirements for periodic disclosure

Economy	**Provide periodic statements**	Banks	Other regulated financial institutions	Unregulated financial institutions	**General requirements**	Statement includes information on dispute procedures	**Requirements related to deposit products**	Annual percentage yield calculation	Amount of interest earned	Fees imposed	Account balance	**Requirements related to credit products**	All account transactions during the period	Annual percentage rate	Interest charged for the period	Fees charged for the period	Minimum amount due	Date due	Outstanding balance
Hong Kong SAR, China		+	+			+													
Hungary		+						+	+	+	+		+	+	+	+	+	+	+
India						+			+	+	+		+	+	+	+	+	+	+
Indonesia													+	+	+	+	+	+	+
Iran, Islamic Rep. of																+			
Israel		+						+	+	+	+		+	+	+	+		+	+
Italy		+				+		+	+	+	+		+	+	+	+	+	+	+
Jamaica														+	+	+		+	+
Jordan		+						+		+				+	+	+			
Kazakhstan											+								
Kuwait		+				+		+	+	+	+		+	+	+	+	+	+	+
Kyrgyz Republic		+																	
Lao PDR									+		+			+		+		+	
Lebanon														+		+			
Lithuania		+	+			+													
Macedonia, FYR		+	+	+									+		+			+	+
Madagascar											+		+		+	+			+
Malaysia		+	+					+	+	+	+		+		+	+			+
Mali		+	+							+	+		+			+			+
Mauritania		+				+			+	+	+		+			+	+	+	+
Mauritius		+	+			+		+	+	+	+		+	+	+	+	+	+	+
Mexico		+	+	+		+		+	+	+	+		+	+	+	+	+	+	+
Moldova											+		+						+
Mongolia		+				+													
Morocco		+				+		+		+	+		+	+	+	+			+
Mozambique		+	+																
Netherlands						+				+									
New Zealand		+	+					+	+	+	+		+	+	+	+	+	+	+
Nicaragua		+				+			+	+	+		+	+	+	+	+	+	+
Niger		+	+							+	+		+			+			+
Nigeria		+	+						+	+	+		+	+	+	+	+	+	+
Norway		+	+																
Pakistan		+				+			+	+	+								
Panama		+				+			+	+	+		+	+	+	+	+	+	+
Paraguay		+	+			+								+	+	+	+	+	+
Peru						+							+	+	+	+	+	+	+

TABLE 10 (CONTINUED)
Consumer protection: Requirements for periodic disclosure

Economy	**Provide periodic statements**	Banks	Other regulated financial institutions	Unregulated financial institutions	**General requirements**	Statement includes information on dispute procedures	**Requirements related to deposit products**	Annual percentage yield calculation	Amount of interest earned	Fees imposed	Account balance	**Requirements related to credit products**	All account transactions during the period	Annual percentage rate	Interest charged for the period	Fees charged for the period	Minimum amount due	Date due	Outstanding balance
Philippines													+	+	+	+	+	+	+
Poland		+	+	+															
Portugal		+	+					+	+	+	+								
Puerto Rico		+	+			+		+	+	+	+		+	+	+	+	+	+	+
Rwanda						+		+	+	+	+		+	+	+	+			+
Senegal		+	+							+	+		+			+			+
Serbia		+	+					+			+		+	+	+				+
Sierra Leone								+	+		+		+		+	+	+	+	+
Singapore			+																
Slovak Republic		+				+				+									
South Africa													+	+	+	+	+	+	+
Spain		+	+			+		+	+	+	+		+	+	+	+	+	+	+
Switzerland		+	+			+		+	+	+	+		+	+	+	+	+	+	+
Taiwan, China						+		+	+	+	+		+	+	+	+	+	+	+
Tajikistan		+				+		+	+	+	+		+	+	+	+	+	+	+
Thailand		+	+										+	+	+	+	+	+	+
Togo		+	+							+	+		+			+			+
Tunisia		+				+			+	+	+		+	+	+	+		+	+
United Arab Emirates				+															
United Kingdom		+	+							+									
United States						+		+	+	+	+		+	+	+	+	+	+	+
Uruguay		+	+			+		+	+	+	+		+	+	+	+	+	+	+
Uzbekistan		+						+	+	+	+		+	+	+	+	+	+	+
Venezuela, R. B. de		+	+	+		+		+	+	+	+		+	+	+	+	+	+	+
Vietnam						+					+								+
Yemen, Rep. of		+						+	+	+	+		+	+	+	+	+	+	+
Zimbabwe		+	+			+		+	+	+	+		+	+	+	+	+	+	+

TABLE 11

Consumer protection: Fair treatment, dispute resolution, and recourse

Economy	**Provisions to restrict unfair treatment**	Deceptive advertising	Unfair or high-pressure selling practices	Abusive collection practices	Unauthorized use of client data or breach of client confidentiality	No fair treatment provisions reported	**Regulated standards on FIs for complaints resolution**	Procedures and processes	Timeliness of response	Accessibility	**System for recourse with a third party**	Financial ombudsman	General ombudsman	Mediation service
Afghanistan						+		+	+	+				+
Albania		+	+	+	+			+		+			+	+
Algeria		+	+		+				+	+				
Anguilla		+			+									
Antigua and Barbuda		+			+									
Argentina		+	+	+	+			+		+			+	
Armenia		+	+	+	+			+	+	+		+		
Australia		+	+					+	+			+		
Austria		+	+	+	+			+				+	+	
Azerbaijan		+	+	+	+				+	+			+	
Bangladesh						+								
Belarus		+												
Belgium		+	+	+	+			+	+	+				+
Benin					+									
Bolivia		+		+				+	+	+			+	
Bosnia and Herzegovina						+								
Botswana		+			+			+	+	+		+		
Brazil		+	+	+	+			+	+	+		+	+	
Bulgaria		+	+	+	+			+	+	+		+		
Burkina Faso					+									
Burundi		+		+	+									
Cambodia					+									
Canada		+	+	+	+			+		+		+		
Cape Verde		+	+	+	+			+		+				
Chile		+	+	+	+			+	+	+				+
China						+								
Colombia		+	+	+	+				+	+		+		
Costa Rica		+	+	+	+			+					+	
Côte d'Ivoire					+									
Croatia		+	+	+	+			+	+	+				+
Czech Republic		+	+	+	+					+		+		+
Denmark		+	+	+	+			+					+	
Dominica		+			+									
Dominican Republic		+	+	+	+			+	+	+		+	+	
Ecuador		+		+	+			+	+	+				
El Salvador		+	+	+	+							+	+	+
Estonia		+	+	+	+									
Ethiopia		+		+	+			+	+					+
Finland		+	+	+	+							+	+	
France		+	+	+	+							+		
Gambia, The		+	+	+	+					+				
Georgia						+								
Germany						+								
Ghana		+	+	+	+			+	+	+				+
Greece		+	+	+	+			+	+	+		+		+
Grenada		+			+									
Guatemala		+			+			+		+				+
Guinea-Bissau					+									

TABLE 11 (CONTINUED)
Consumer protection: Fair treatment, dispute resolution, and recourse

Economy	**Provisions to restrict unfair treatment**	Deceptive advertising	Unfair or high-pressure selling practices	Abusive collection practices	Unauthorized use of client data or breach of client confidentiality	No fair treatment provisions reported	**Regulated standards on FIs for complaints resolution**	Procedures and processes	Timeliness of response	Accessibility	**System for recourse with a third party**	Financial ombudsman	General ombudsman	Mediation service
Honduras		+		+				+	+	+			+	
Hong Kong SAR, China		+		+	+			+	+	+				
Hungary		+	+	+	+			+	+	+				
Iceland						+								
India		+	+	+	+			+	+	+		+		
Indonesia					+			+	+	+				+
Iran, Islamic Rep. of		+			+									
Ireland		+	+	+				+	+			+		
Israel		+		+	+							+		
Italy		+	+	+	+			+	+	+		+		+
Jamaica		+	+	+				+	+	+			+	
Japan		+	+	+	+									+
Jordan		+			+			+						
Kazakhstan		+	+	+	+			+						
Kenya		+			+									
Korea, Rep. of		+	+	+	+							+	+	+
Kuwait		+	+					+	+			+		
Kyrgyz Republic		+		+	+									
Lao PDR		+			+			+	+	+				+
Latvia		+	+		+							+		
Lebanon						+								
Lesotho						+								
Liberia		+	+	+	+									
Lithuania		+	+		+			+	+				+	
Macedonia, FYR		+			+									
Madagascar		+			+								+	
Malawi						+								
Malaysia		+	+	+	+			+	+	+				+
Mali					+									
Mauritania		+	+		+			+	+					+
Mauritius		+			+			+	+	+		+		
Mexico		+	+	+	+			+	+	+		+		+
Moldova		+	+	+	+			+		+			+	+
Mongolia		+			+									
Montserrat		+			+									
Morocco		+	+		+			+	+			+		
Mozambique		+			+			+	+	+		+		
Namibia		+			+								+	
Nepal					+									+
Netherlands		+	+	+	+			+				+		
New Zealand		+	+		+			+	+	+		+		
Nicaragua		+		+	+			+	+	+			+	
Niger					+									
Nigeria						+		+	+	+			+	
Norway		+	+	+	+							+		
Oman		+	+	+	+			+	+	+				+
Pakistan		+	+	+	+			+	+	+		+	+	+
Panama		+	+	+	+			+	+	+				+

TABLE 11 (CONTINUED)

Consumer protection: Fair treatment, dispute resolution, and recourse

Economy	**Provisions to restrict unfair treatment**	Deceptive advertising	Unfair or high-pressure selling practices	Abusive collection practices	Unauthorized use of client data or breach of client confidentiality	No fair treatment provisions reported	**Regulated standards on FIs for complaints resolution**	Procedures and processes	Timeliness of response	Accessibility	**System for recourse with a third party**	Financial ombudsman	General ombudsman	Mediation service
Papua New Guinea						+								
Paraguay		+		+	+								+	
Peru		+	+	+	+			+	+	+		+		+
Philippines		+	+	+	+			+	+					+
Poland		+	+	+	+							+	+	+
Portugal		+	+		+			+	+	+				
Puerto Rico		+	+	+	+			+		+			+	
Romania						+								
Russian Federation		+			+									
Rwanda		+		+	+			+		+				
Senegal					+									
Serbia		+	+		+			+	+	+				
Sierra Leone						+		+	+	+			+	
Singapore		+			+			+	+			+		
Slovak Republic		+	+		+			+	+					
Slovenia		+	+		+			+						+
South Africa		+	+	+	+			+	+	+		+	+	+
Spain		+	+		+			+	+	+		+		
Sri Lanka		+			+							+		
St. Kitts and Nevis		+			+									
St. Lucia		+			+									
St. Vincent and the Grenadines		+			+									
Sudan						+								
Swaziland					+			+	+	+		+		
Sweden		+	+	+	+			+	+				+	
Switzerland		+	+	+	+							+		
Syrian Arab Republic					+									
Taiwan, China		+	+	+	+			+	+	+		+	+	+
Tajikistan						+		+	+	+				
Tanzania						+								
Thailand		+	+	+	+			+	+	+			+	
Togo					+									
Tunisia		+	+	+	+			+	+			+		
Turkey		+												
Uganda		+						+	+	+				
Ukraine					+									
United Arab Emirates						+								
United Kingdom		+	+	+	+			+	+	+		+		
United States		+	+	+	+				+			+		
Uruguay		+	+	+	+			+		+		+		
Uzbekistan		+	+	+	+			+	+	+				
Venezuela, R. B. de		+	+	+	+			+	+	+		+	+	
Vietnam		+			+			+		+				
Yemen, Rep. of						+		+	+	+				+
Zambia		+	+	+	+			+		+				+
Zimbabwe		+	+	+	+			+	+	+				+

Note: FI = financial institution.

TABLE 12
Small and medium enterprise finance

Economy	Agency monitors the level of lending to SMEs: Yes, regularly	Agency monitors the level of lending to SMEs: Yes, irregularly	Agency monitors the level of lending to SMEs: No	Agency monitors the level of lending to SMEs: No, but another agency does	SME definition: Number of employees (max.)	SME definition: Sales (max. in USD)	SME definition: Loan size (max. in USD)	SME lending: Value of loans (% of GDP)
Afghanistan	+				100	995,355.00	..	2.25
Albania		+		+	249	2,632,185.00	..	11.30
Algeria	+				..	..	..	..
Anguilla			+		..	..	..	..
Antigua and Barbuda			+		..	..	..	..
Argentina	+				..	23,900,000.00	..	1.28
Armenia		+			100	..	..	4.36
Australia	+				..	..	1,559,833.00	15.33
Austria			+		..	..	..	..
Azerbaijan		+		+	5	124,411.60	311,029.10	..
Bangladesh	+				150	..	..	17.35
Belarus		+			..	..	..	..
Belgium			+	+	..	..	..	21.50
Benin	+				..	..	..	..
Bosnia and Herzegovina	+				..	..	..	..
Botswana			+	+	100	698,301.00	..	0.42
Brazil	+				..	..	..	3.77
Bulgaria			+		..	..	..	..
Burkina Faso	+				..	..	..	..
Cambodia	+				..	..	..	..
Canada			+		499	43,700,000.00	4,374,069.00	..
Cape Verde			+		51	1,889,713.00	..	0.60
Chile			+	+	..	..	..	..
China					..	..	..	48.65
Colombia			+	+	200	..	..	..
Costa Rica		+		+	..	540,000.00	..	4.29
Côte d'Ivoire	+				..	..	..	..
Croatia			+		250	..	..	..
Czech Republic			+		..	..	..	..
Denmark		+			..	..	..	..
Dominica			+		..	..	..	..
Dominican Republic		+		+	..	..	13,878.58	..
Ecuador	+				..	..	..	2.87
El Salvador	+				50	1,000,000.00	..	5.77
Estonia		+			50	4,340,278.00	1,388,889.00	30.98
Ethiopia		+			..	..	..	..
Finland			+		..	..	..	..
France	+				..	69,400,000.00	..	10.64
Gambia, The	+				..	..	..	..
Georgia	+				..	..	..	5.54
Germany			+		250	73,500,000.00	..	..
Ghana			+		30	2,129,472.00	..	..
Greece			+		250	69,400,000.00	..	..
Grenada			+		..	..	..	..
Guatemala	+				..	..	19,604.11	0.51
Guinea-Bissau	+				..	..	..	..
Honduras		+		+	..	..	..	..
Hong Kong SAR, China					100	..	..	0.77

TABLE 12 (CONTINUED)
Small and medium enterprise finance

Economy	Agency monitors the level of lending to SMEs: Yes, regularly	Yes, irregularly	No	No, but another agency does	SME definition: Number of employees (max.)	Sales (max. in USD)	Loan size (max. in USD)	SME lending: Value of loans (% of GDP)
Hungary	+				250	69,400,000.00	..	11.89
India	+				..	..	..	4.34
Indonesia	+			+	..	4,812,349.00	..	0.67
Iran, Islamic Rep. of		+			50	..	..	5.94
Ireland					249	..	..	..
Israel			+		..	..	..	..
Italy	+				20	..	..	11.42
Jamaica			+		..	..	..	..
Japan	+				..	..	..	35.90
Jordan	+				..	..	..	10.18
Kazakhstan	+				250	..	..	6.42
Kenya	+				..	..	..	..
Korea, Rep. of	+				1,000	117,000,000.00	..	37.39
Kuwait					..	..	868,702.80	..
Lao PDR					99	117,425.50	..	..
Latvia	+				250	..	..	42.23
Lebanon			+	+	..	5,000,000.00	..	..
Liberia	+				16	262,500.00	155,000.00	2.34
Lithuania			+	+	249	55,600,000.00	..	..
Macedonia, FYR			+		..	..	..	..
Madagascar			+		..	2,555,968.00	..	..
Malawi			+		..	..	..	..
Malaysia	+				150	7,093,199.00	..	17.43
Mali	+				..	..	..	..
Mauritania	+				..	..	..	..
Mauritius				+	..	..	..	..
Mexico		+			250	18,500,000.00	..	..
Moldova	+				249	4,500,622.00	..	..
Mongolia	+				199	1,043,264.00	..	6.39
Montserrat			+		..	..	..	..
Morocco	+				..	6,205,707.00	124,114.10	10.39
Mozambique			+		..	..	..	..
Namibia			+	+	..	..	..	..
Netherlands	+				..	73,500,000.00	..	53.86
New Zealand			+		19	..	..	..
Nicaragua			+	+	..	..	..	..
Niger	+				..	..	..	..
Nigeria	+				250	..	..	..
Norway		+			..	..	..	..
Oman					99	5,201,561.00	..	..
Pakistan	+				250	..	..	2.54
Panama			+		..	2,500,000.00	..	3.25
Peru	+				..	..	9,961.79	1.09
Philippines	+				..	..	..	..
Poland	+				250	..	..	7.81
Portugal		+			249	..	..	52.00
Puerto Rico			+		..	..	..	..
Russian Federation	+				250	31,500,000.00	..	5.23

TABLE 12 (CONTINUED)
Small and medium enterprise finance

Economy	Agency monitors the level of lending to SMEs: Yes, regularly	Yes, irregularly	No	No, but another agency does	SME definition: Number of employees (max.)	Sales (max. in USD)	Loan size (max. in USD)	SME lending: Value of loans (% of GDP)
Rwanda			+		..	..	..	..
Senegal	+				..	..	..	..
Serbia			+		250	13,900,000.00	..	..
Sierra Leone	+				..	..	..	..
Singapore		+			..	..	..	14.96
Slovak Republic			+		..	..	..	..
Slovenia	+				250	48,600,000.00	..	..
South Africa	+				..	47,200,000.00	885,094.30	10.71
Spain			+		250	13,900,000.00	..	..
St. Kitts and Nevis			+		..	..	..	..
St. Lucia			+		..	..	..	..
St. Vincent and the Grenadines			+		..	..	..	..
Sudan	+				10	..	..	..
Switzerland			+	+	..	..	..	..
Syrian Arab Republic	+				..	..	107,048.00	..
Taiwan, China	+			+	200	2,420,099.00	..	24.81
Tajikistan	+				..	..	12,069.40	0.36
Thailand	+				200	..	..	30.67
Togo	+				..	..	..	..
Tunisia	+				300	..	..	..
Turkey	+			+	..	..	..	7.38
Uganda	+				..	..	..	..
Ukraine					50	8,984,449.00	..	..
United Arab Emirates			+		..	..	..	..
United Kingdom			+		250	35,500,000.00	..	..
United States			+		..	..	1,000,000.00	4.93
Uruguay	+				100	3,323,292.00	..	6.86
Uzbekistan	+				100	..	..	4.39
Venezuela, R. B. de			+	+	..	..	..	..
Yemen, Rep. of			+		..	..	..	..
Zambia			+	+	50	49,543.12	..	..
Zimbabwe	+			+	20	..	50,000.00	..

TABLE 13
Consumer protection legislation

	G	E	F	O
	General **consumer protection law without explicit reference to financial services**	**Consumer protection law with** ***explicit*** **reference to financial services**	**Consumer protection regulations within the framework of** ***financial*** **sector legislation**	***Other*** **types of consumer protection regulation**
Afghanistan	X	X	X	✔
Albania	X	✔	✔	X
Algeria	✔	✔	✔	X
Anguilla	X	X	X	X
Antigua and Barbuda	X	X	X	X
Argentina	X	✔	✔	✔
Armenia	✔	✔	✔	X
Australia	X	✔	✔	✔
Austria	✔	X	✔	X
Azerbaijan	✔	✔	✔	X
Bangladesh	X	X	X	X
Belarus	X	X	X	X
Belgium	✔	✔	✔	✔
Benin	X	✔	X	✔

Afghanistan
O There is no specific law, but regulations exist that can be enforced in cases of violation of laws or regulations.

Albania
E *Law No. 9902 on Consumers' Protection (2008)*. The law contains provisions on consumer credit.
F *Regulation No. 05 on the Consumer Credit and Mortgage Credit for Households (2009); Regulation No. 59 on the Transparency of Banking and Financial Products and Services (2008)*

Algeria
G Name of law not provided.
E *Law N°09–03 of 25 February 2009 on Consumer Protection (2009)*
F *Regulation N°09–03 of 26 May 2009 Establishing General Rules on Banking Conditions Applicable to Bank Operations (2009)*

Argentina
E *Laws 24240 and 26361 on Consumer Protection (1993 and 2008); Law 25065 on Credit Cards (1999)*
F *Resolution 9, Consumer Protection (2004)*
O *Transparency Regime consisting of Communiqués "A" 4184 and "A" 4191 on Interest Rates in Credit Operations and Relations Between Financial Entities and their Clients (2004)*

Armenia
G *Consumer Rights Protection Law (2001)*
E *Law on Attraction of Bank Deposits (2008); Law on Consumer Lending (2008)*
F *Regulation 8/01 "Calculation of Annual Percentage Rate: Explanations and Examples" (2009); Regulation 8/02 "Calculation of Annual Percentage Yield of Deposits" (2009); Regulation 8/03 "Information Disclosure by Banks, Credit Organizations, Insurance Companies, Insurance Brokers, Investment Companies, Central Depository and Payment Service Organizations Realizing Remittance (Money) Transfer" (2009); Regulation 8/04 "Minimal Conditions and Principles of Internal Legal Acts Administering Process of Examination of Customers' Appeals" (2009); Regulation 8/05 "Communication Between Bank and Depositor, Creditor and Consumer: Methods, Conditions and Minimal Requirements" (2009)*

Australia
O ASIC (Australian Securities and Investments Commission) administers the regulatory system for consumer protection for deposit–taking activities (i.e., transactions or savings accounts); general insurance; life insurance; superannuation; retirement savings accounts; managed investments; securities (i.e., shares and debentures); derivatives (i.e., futures contracts); foreign exchange contracts; and credit.

Austria
G *Consumer Protection Act (1979)*
F *Banking Act (1993); Insurance Act (1958); Investment Funds Act (1993); Securities Supervision Act (2007)*

Azerbaijan
G *Law on Protection of Consumers' Rights (1995); Law on Banks (1992); Law on Deposit Insurance (2006); Law on Advertising (1997)*
E Name of law not provided (2000)
F *Corporate Governance Standards; Regulation on Credit Allocations in Banks (2004)*

Belgium
G *Law on Business Practices and on Consumer Protection (1991)*
E Certain provisions in the *Law on Business Practices and on Consumer Protection (1991, 2010)* are particular to financial services.
F *Law on Payment Services (2010)*
O *Law on Consumer Credit (1991); Law on Loans and Credit Facilities Secured by a Mortgage (1992)*

Benin
E *Law on the Definition and Repression of Usury (1997)*
O *Notices to Banks and Financial Institutions on Banking Conditions (1992)*

TABLE 13 (CONTINUED)
Consumer protection legislation

	G	E	F	O
	General **consumer protection law without explicit reference to financial services**	**Consumer protection law with *explicit* reference to financial services**	**Consumer protection regulations within the framework of *financial* sector legislation**	***Other*** **types of consumer protection regulation**
Bolivia	✔	X	✔	X
G *Constitution (2009)* ***F*** *Rules for Customer Service and Users (of Financial Services) (2010)*				
Bosnia and Herzegovina	X	✔	X	X
E *Consumer Protection Law of Bosnia & Herzegovina (2006)*				
Botswana	✔	✔	✔	X
G *Consumer Protection Act (1998). The Consumer Protection Act* is under the Ministry of Trade and Industry. ***E*** *Banking Act, Chapter 46:04 (1995). The Banking Act* has selected sections which cover consumer protection issues. ***F*** *Banking Act, Chapter 46:04 (1995)*				
Brazil	✔	✔	✔	X
G *Law 8.078, Consumer Defense Code (1990). Law 8.078* is a general consumer protection law with an explicit reference to financial services. However, it does not have specific instruments for handling financial services. ***E*** *Law 8.078, Consumer Defense Code (1990)*. Concerning financial services, all financial institutions must also comply with National Monetary Council (CMN) and Central Bank of Brazil regulations on (i) transparency of information in credit contracts, which must include all interest and costs charged in the normal course of the operation, the monthly and annual equivalent effective interest rate (*Circular 2,905/1999*, as modified by *Circular 2,936/1999*); and (ii) portability of client information (*Resolution 2.835/2001*), in addition to those Resolutions listed in Section F. ***F*** *Resolution 3.401, Portability of Credit (2006)*; *Resolution 3.402, Portability Of Wages, Salaries, Pensions and Similar Earnings (2006)*; *Resolution 3.477, Mandatory Ombudsman in Financial Institutions (2007)*; *Resolutions 3.516* and *3.518* and *Circular 3.371, Charging of Service Fees (2007)*; *Resolution 3.517, Obligation to Inform Ahead of Extending Credit the Total Cost of the Operation Expressed in the Form of an Annual Percentage Rate, as well as Taxes and Fees (2007)*; *Resolution 3.694, Establishing that Contracts Should Be Clear and Disclose All Information Necessary for the Consumer's Decision (2009)*				
Bulgaria	✔	✔	✔	✔
G *Law on Protection of the Consumers (2006)* ***E*** *Law on Consumer Credit (2010)* ***F*** *Law on Credit Institutions (2006); Law on Public Offering of Securities (1999)* ***O*** *Law on Payment Services and Payment Systems (2009); Law on Distance Provision of Financial Services (2007); Law on Bank Deposit Guarantee (1998); Law on Markets in Financial Instruments (2007)*				
Burkina Faso	X	✔	X	✔
E *Law on the Definition and Repression of Usury (1997)* ***O*** *Notices to Banks and Financial Institutions on Banking Conditions (1992)*				
Burundi	X	X	✔	✔
F *Banking Law N°1/017 (2003); Decree N°100/203 (2006)*. These are regulations that apply to the supervision of the financial sector. There is no specific consumer protection law. ***O*** *Business Code (1996)*				
Cambodia	X	X	✔	X
F *Law on Banking and Financial Institutions (1999)*				
Canada	✔	X	✔	X
G The Government of Canada's Budget 2009 and Budget 2010 included measures related to consumer protection. Further information on these measures can be found at: www.budget.gc.ca/2010/home–accueil–eng.html, Chapter 3. ***F*** *The Financial Consumer Agency of Canada Act (2001)*. Other provisions can be found within financial institutions' statutes.				
Cape Verde	X	X	X	X
Chile	✔	X	X	✔
G *Law No. 19.496, Rules on Protection of Consumer Rights (1997)*; *Law No. 19.628, Protection of Privacy (1999)* ***O*** *DFL N°3, General Banking Act (1997). The General Banking Act* gives broad power to the Superintendency of Banks, including interpreting the law and enforcing it by establishing norms of banking consumer protection. In the updated norms issued by this superintendency, the following issues are addressed in the "Updated Compilation of Rules (RAN)": Chapters 1–3 on classification and solvency; 18–14 on transparency of information to the public; 19–9 on information to the public; and 7–1 on interest and adjustments.				

TABLE 13 (CONTINUED)
Consumer protection legislation

	G	E	F	O
	General **consumer protection law without explicit reference to financial services**	**Consumer protection law with** ***explicit*** **reference to financial services**	**Consumer protection regulations within the framework of** ***financial*** **sector legislation**	***Other*** **types of consumer protection regulation**
China	X	X	X	X
Colombia	X	✔	✔	✔
Costa Rica	X	✔	X	✔
Côte d'Ivoire	X	✔	X	✔
Croatia	✔	X	✔	X
Czech Republic	✔	✔	✔	X
Denmark	X	X	✔	✔
Dominica	X	X	X	X
Dominican Republic	✔	✔	✔	✔
Ecuador	✔	✔	✔	X
El Salvador	X	✔	✔	X
Estonia	✔	X	X	X

Colombia

E *Law 1328, Title I: Financial Consumer Protection (2010)*. Financial consumer protection in Colombia is a constitutional matter, covered by Articles 333, 335, and 78. Before June 2009, general rules on financial matters were addressed in the *Financial System Organic Statute, Articles 72, 97, 98, 99, and 100. Law 1328, Title I*, which came into effect July 2010, explicitly refers to financial consumer protection.
F *Original Statute of the Financial System (1993); Law 1328, Title I: Financial Consumer Protection (2010)*
O *Basic Legal Circular, Title I, Chapter VI: Rules on Competition and Consumer Protection (1996 and subsequent updates)*

Costa Rica

E *Law of Promotion of Competition and Effective Consumer Protection (1995). The Law of Promotion of Competition and Effective Consumer Protection* specifically establishes regulations for credit card issuers concerning information on users of its services. Additionally, there is regulation on the disclosure of information and the advertisement of financial products whose compliance is monitored by the General Superintendent of Financial Institutions.
O *Regulation of the Law of Promotion of Competition and Effective Consumer Protection (1996)*

Côte d'Ivoire

E *Law on the Definition and Repression of Usury (1997)*
O *Notices to Banks and Financial Institutions on Banking Conditions (1992)*

Croatia

G *Customer Protection Act (2007)*
F *Credit Institutions Act (2009); Act on Leasing Insurance (2007); Customer Credit Act (2007)*

Czech Republic

G *Act No. 634/1992 Coll., Consumer Protection Act (1992)*
E *Act No. 321/2001 Coll., Conditions for Negotiating a Consumer Loan (2001)*
F *Act No. 256/2004 Coll., Capital Market Undertakings Act (2004)* (contains provisions regulating information disclosure to consumers); *Act No. 189/2004 Coll., On Collective Investment Schemes (2004); Act No. 37/2004 Coll., On Insurance Contract (2004); Act No. 38/2004 Coll., On Insurance Intermediaries and Loss Adjusters (2004); Act No. 284/2009 Coll., Payment System Act (2009); Act No. 40/1964 Coll., Civil Code (1964, amended by 2002/65/EC); Act No. 229/2002 on the Financial Arbitrator (2002)*

Denmark

F *Good Business Practice Act (2009)*
O *Executive Order on Investor Protection in Connection with Securities Trading (2009)*

Dominican Republic

G *General Law on Consumer Protection (2005)*
E *Monetary and Financial Law, Article 52 (2002)*
F *Regulation for Protection of Users of Financial Services (2006)*
O *Law 288–05, Regulation of Credit Information Bureaus and Protection of Client Information, including Norms for Electronic Payments (2005)*

Ecuador

G *Original Law on Consumer Protection (2000)*
E *Law on Regulation of Maximum Effective Cost of Credit (2007)*
F *Banking Board Resolution No. 306 (2006)*

El Salvador

E *Law of Consumer Protection (1996)*. The regulation includes aspects of financial services but also of goods and services in general.
F *Regulation of the Law of Consumer Protection (1996)*

Estonia

G *The Consumer Protection Act (2004); The Law of Obligations Act (2002); The Securities Market Act (2002); Credit Institutions Act (1999); Insurance Activities Act (2005); Investment Funds Act (2004); Funded Pensions Act (2004); Payment Service Providers and Electronic Money Institutions Act (2010)*. Different rules aimed at protecting financial consumers can be found in different legal acts, mainly from the *Securities Market Act* and the *Law of Obligations Act*. The primary approach has been service–centered, where the rules related to financial services can be found from the specific law of the financial service.

TABLE 13 (CONTINUED)
Consumer protection legislation

	G	E	F	O
	General **consumer protection law without explicit reference to financial services**	**Consumer protection law with** ***explicit*** **reference to financial services**	**Consumer protection regulations within the framework of** ***financial*** **sector legislation**	***Other*** **types of consumer protection regulation**
Ethiopia	X	X	X	X
Finland	X	✔	✔	✔
France	✔	✔	✔	✔
Gambia, The	✔	✔	✔	X
Georgia	X	X	X	X
Germany	X	X	X	X
Ghana	X	X	X	X
Greece	✔	✔	✔	X
Grenada	X	X	X	X
Guatemala	✔	X	X	✔
Guinea-Bissau	X	✔	X	✔
Honduras	X	✔	X	X
Hong Kong SAR, China	X	X	X	✔

Ethiopia

O A complaint handling framework that will enable the amicable settlement of complaints from customers of banks, microfinance institutions, and insurance companies is being implemented.

Finland

E *Consumer Protection Act (1978)*
F *Act on Credit Institutions (2007)*
O *Act on Guarantees and Third–Party Pledges (1999)*. Several acts include provisions on consumer protection matters. The most important acts are mentioned here. Both the Finnish Financial Supervisory Authority (FIN–FSA), as well as the Finnish Consumer Agency have published guidelines covering different subjects on financial services.

France

G *Consumer Code (2010)*
E *Consumer Code (2010)*
F *Ordinance of 21 January 2010 on the creation of the Prudential Supervisory Authority (2010)*
O Orders from the Ministry of Economy and Finance that are not part of the Consumer Code also specify rules for informing customers and the general public on the terms and pricing applicable to the management of a deposit account or a payment account, on the manner of relations between payment service providers and their clients in terms of disclosure requirements to users of payment services, on identifying key provisions to be included in agreements on deposit accounts and contracts on payment services, and on the conditions of remuneration from funds received by credit institutions.

Gambia, The

G *Consumer Protection and Competition Act (2009)*
E *Banking Act (2009)*
F *Banking Act (2009)*

Ghana

O No explicit laws are in place but the *Banking Act (2004)* vests Bank of Ghana with the responsibility for dealing with "unlawful and improper practices" by banks.

Greece

G *Law 2251 on the Protection of the Consumer (1994)*
E *Law 2251 on the Protection of the Consumer (1994)*
F *Bank of Greece Governors Act 2501 (2002). The Bank of Greece Governors Act 2501/2002* lays out credit institutions' disclosure requirements to retail customers with respect to the terms and conditions governing banking transactions.

Guatemala

G *Decree No. 006: Consumer Protection Act (2003)*
O *Law on Access to Public Information (2008)*

Guinea-Bissau

E *Law on the Definition and Repression of Usury (1997)*
O *Notices to Banks and Financial Institutions on Banking Conditions (1992)*

Honduras

E *Rules to Strengthen Transparency, Financial Literacy and Protection of the Financial Consumer in Regulated Institutions (2009)*

Hong Kong SAR, China

O *Code of Banking Practice (1997)*. While the Hong Kong Monetary Authority (HKMA) has a general duty to "provide a measure of protection to depositors" under the Banking Ordinance (BO), there is no explicit mandate with respect to consumer protection. However, HKMA, as a banking regulator, does have an interest in encouraging standards of good banking practice whereby authorized institutions (AIs) act fairly and reasonably in relation to their customers. The good banking practices to promote a fair and transparent relationship between AIs and their customers are currently embodied in the *Code of Banking Practice (the Code)*. *The Code* is a nonstatutory code issued on a voluntary basis jointly by the industry associations and endorsed by HKMA. *The Code* sets out the minimum standards that AIs should follow in their dealings with personal customers. HKMA monitors the AIs' compliance with *the Code*.

TABLE 13 (CONTINUED)
Consumer protection legislation

	G	E	F	O
	General **consumer protection law without explicit reference to financial services**	**Consumer protection law with** ***explicit*** **reference to financial services**	**Consumer protection regulations within the framework of** ***financial*** **sector legislation**	***Other*** **types of consumer protection regulation**
Hungary	X	X	✔	X
Iceland	X	X	X	X
India	✔	✔	X	✔
Indonesia	✔	X	✔	X
Iran, Islamic Rep. of	✔	X	✔	X
Ireland	X	✔	✔	X
Israel	✔	✔	✔	X
Italy	✔	✔	✔	X
Jamaica	✔	✔	✔	X

Hungary

F *Act CXXXV on the Hungarian Financial Supervisory Authority (2007)*. There are specific consumer protection matters in the procedures, laws, and government decrees of the Hungarian Financial Supervisory Authority.

India

G *Consumer Protection Act (1986)*
E *Consumer Protection Act (1986)*
O *Banking Ombudsman Scheme (2006)*

Indonesia

G *Consumer Protection Act (1999)*
F *Bank Indonesia Regulation No.7/6/PBI/2005, Transparency in Bank Product Information and Use of Customer Personal Data (2005); No.7/7/PBI/2005, Resolution of Customer Complaints (2005)*

Iran, Islamic Rep. of

G *Consumer Protection Law (2009)*. The *Consumer Protection Law* is a general law that covers many areas, including banks.
F *Banking Law (1983)*. The *Banking Law* includes a clause referring to consumer protection.

Ireland

E The following Web site contains a list of legislation relevant to the role of the Central Bank of Ireland in relation to the protection of consumers: www.financialregulator.ie/processes/consumerprotection/legislation.
F *Consumer Protection Code (2006); Code of Conduct on Mortgage Arrears (2009); Code of Conduct for Business Lending to SMEs (2009)*

Israel

G *Banking (Service to Customer) Law, 5741–1981 (1981); Banking Rules (Customer Service), Proper Disclosure and Presentation of Documents (1992); Banking Rules (Customer Service), Advertisements Geared to Minors (1995); Banking Rules, Proper Disclosure via Electronic Means; Banking Rules, Bank Accounts; Banking Rules, Form of General Terms for Managing an Account; Banking Rules, Unreasonable Refusal to Open an Account; Regulation 402, The Business Day in Banking Corporations; Regulation 417, Activity of a Banking Corporation in a Closed System; Regulation 419, Retention of Documents; Regulation 403, Benefits to Customers; Regulation 404, Benefits to Customers' Employees; Banking Ordinance, Joint Account and Joint Safe-deposit Boxes; Regulation 434, Joint Accounts "Survivors" Clause; Regulation 416, Minors' Accounts; Regulation 406, Banking Services for New Immigrants; Regulation 435, Telephone Instructions; Regulation 407, Investing on a Customer's Account without his Explicit Agreement; Regulation 325, Management of Credit Facilities in Current Accounts; Regulation 432, Transferring Activity and Closing a Customer's Account*
E *Payment Services: Regulations on Banking (1992); Credit Cards Law, 5746–1986 (1986); Regulation 470 on Credit Cards; Regulation 439, Debits by Authorization*
F *Loans for Dwellings Law (1992); Regulation 451, Procedures for Giving Dwelling Loans; Regulation 452, Loan Management Procedures; Banking Ordinance, Section 13; Banking Order (fee for early repayment of mortgages) (2002); Regulation 454, Early Repayment Fee on a Non-dwelling Loan; Execution Law, Utilizing the Mortgage and Protecting the Apartment (1967); Execution Law, Amendment 29, Amendment of Section 38 and Transitory Regulation (2009); Regulation 409, Charging Customers for Legal Fees; Submitting Information to the Debtors; Clarification with Regard to Collecting Debts via External Lawyers; Law of Guarantees (1967); Regulation 453, Third-Party Guarantees for a Banking Corporation; Guarantees for Homebuyers; The Sales (Assurance of Homebuyers' Investments) Act, 5735–1974; Regulation 326, Close-end Project Finance, Bank Charges and Interest Rate; The Banking Rules (Customer Service) (Bank Charges), 5768–2008 (2008); Banking Regulations (1990); Operating Days, Retrieval of Data by Customers and ATMs; Regulation 441, Retrieval of Data by Customers; Regulation 442, Cash Withdrawals from ATMs; Dormant Accounts; Banking Law, Sections 1 and 13B; Banking Order (2000); Investing Dormant Deposits; Regulation 413, Losing Contact with Renters of Safe-deposit Boxes; Checks without Cover Law, 5741–1981 (1981); Law on Anti-Money Laundering (AML) (2000); Prohibition on Money Laundering (The Banking Corporations' Requirement regarding Identification, Reporting, and Record-Keeping for the Prevention of Money Laundering and the Financing of Terrorism) Order, 5761–2001 (2001); Obeying the Transitional AML Regulations; Proclamation on the Prohibited Association; Clarifications and Interpretations on Anti-Money Laundering and the Combating the Financing of Terrorism (AML-CFT); Law on CFT (2005); Regulations on CFT (proclamation on the organization on foreign terror or on an activator of foreign terror) (2008); Regulations on CFT (permit to do purchasing activities) (2006)*

Italy

G *Consumer Code (2005)*
E *Legislative Decree No. 385/1993 (Consolidated Banking), Title VI, Disclosure of Terms and Conditions of Contract (1993); Consumer Code, Part III, Title III, Chapter I, Section IV–a, Distance Marketing of Consumer Financial Services (2005); Legislative Decree No. 11/2010, Transposition of the Payment Services Directive (2010)*
F *Provisions on the Transparency of Banking and Financial Operations and Services (2010)*

Jamaica

G *Consumer Protection Act (2005); Fair Competition Act (1993)*
E *Credit Reporting Act (2010)*. Some consumer protection issues will be addressed under the new *Credit Reporting Act*. However, consumer protection is generally dealt with under the *Consumer Protection Act* and the *Fair Competition Act*, which are respectively administered by the Consumer Affairs Commission and the Fair Trading Commission.
F Name of law not provided.

TABLE 13 (CONTINUED)
Consumer protection legislation

	G	E	F	O
	General **consumer protection law without explicit reference to financial services**	**Consumer protection law with** ***explicit*** **reference to financial services**	**Consumer protection regulations within the framework of** ***financial*** **sector legislation**	***Other*** **types of consumer protection regulation**
Japan	✔	✔	✔	X
G *Consumer Contract Act (2000); Act on Specified Commercial Transactions (1976)* ***E*** *Act on Sales of Financial Products (2000)* ***F*** *Banking Act (1981); Money Lending Business Act (1983)*				
Jordan	X	X	✔	X
F *Banking Law (2000)*				
Kazakhstan	X	X	✔	X
F Name of law not provided.				
Kenya	X	X	✔	X
F *Banking Act (1997)*. The *Banking Act* has consumer protection provisions with respect to bank charges, disclosures, credit reference bureaus and interest on nonperforming loans.				
Korea, Rep. of	✔	X	X	X
G Name of law not provided.				
Kuwait	✔	✔	✔	X
G Name of law not provided. Financial services have to be approved by the Central Bank of Kuwait. ***E*** Name of law not provided. ***F*** Name of law not provided.				
Kyrgyz Republic	✔	X	✔	✔
G *Law 10.12.1997 on Consumer Protection (1997)* ***F*** Name of law not provided. ***O*** *Law 10.12.1997 on Consumer Protection (1997)*				
Lao PDR	X	X	✔	X
F *Commercial Bank Laws and Depositor Protection Fund (2000)*				
Latvia	✔	X	✔	X
G *Consumer Rights Protection Law (1999)* ***F*** *Consumer Credit Regulations (2008)*				
Lebanon	✔	X	X	X
G *Consumer Protection Law (2004)*. The regulations for consumer protection are under the Directorate General for Consumer Protection of the Lebanese Ministry of Economy and Trade.				
Lesotho	X	X	X	✔
O *Financial Institutions Act (1999); Insurance Act (1976)*. The laws relating to banking and insurance consumer protection are indirect and fall under the *Financial Institutions Act* and *Insurance Act*, which requires transparency from practitioners in all its dealings and activities.				
Liberia	X	X	X	✔
O *Central Bank of Liberia Act (1999); New Financial Institutions Act (1999)*. There are no specific laws or regulations on consumer protection. However, financial consumers are protected under various provisions of the *Central Bank of Liberia Act*, *New Financial Institutions Act* as well as various regulations, guidelines and directives.				
Lithuania	✔	✔	✔	✔
G *Law on Consumer Protection (1994)* ***E*** *Law on Payments (2003)* ***F*** *Civil Code (2001)* ***O*** *Law on Consumer Credit (2010)*				
Macedonia, FYR	✔	X	X	✔
G *Law on Consumer Protection (2004)* ***O*** *Law on Consumer Protection in Consumer Credit Contracts (2007)*				

TABLE 13 (CONTINUED)
Consumer protection legislation

	G	E	F	O
	***General* consumer protection law without explicit reference to financial services**	**Consumer protection law with *explicit* reference to financial services**	**Consumer protection regulations within the framework of *financial* sector legislation**	***Other* types of consumer protection regulation**
Madagascar	X	X	✔	X
Malawi	✔	X	X	X
Malaysia	✔	X	X	✔
Mali	X	✔	X	✔
Mauritania	✔	✔	✔	X
Mauritius	✔	X	X	X
Mexico	X	✔	X	X
Moldova	✔	✔	✔	X
Mongolia	✔	X	✔	X
Montserrat	X	X	X	X
Morocco	X	X	✔	✔
Mozambique	✔	X	✔	X
Namibia	✔	X	X	X
Nepal	✔	X	X	X

Madagascar
G A draft law on consumer protection is ready to be adopted by Parliament.
F *Law No. 95–030 of February 22, 1996 on the Activity and Supervision of Credit Institutions (1996); Law No. 2005–016 of September 29, 2005 on the Activity and Supervision of Microfinance Institutions (2005)*

Malawi
G *Consumer Protection Law (2003)*
F The proposed *Financial Services Act* contains consumer protection provisions with explicit references to financial services.

Malaysia
G *Consumer Protection Act (1999)*
O Bank Negara Malaysia has issued a number of market conduct guidelines in 2005.

Mali
E *Law on the Definition and Repression of Usury (1997)*
O *Notices to Banks and Financial Institutions on Banking Conditions (1992)*

Mauritania
G *Instr. n°04/GR/2008 (2008)*
E Name of law not provided.
F Name of law not provided.

Mauritius
G *Consumer Protection Act (1991); Competition Act (2007)*

Mexico
E *Law on Protection and Defense of Financial Services Users (1999)*

Moldova
G *Law on Consumer Protection No.105–XV of March 13, 2003 (2003)*
F *Regulation on Publishing Information on Financial Activity by Licensed Banks of the Republic of Moldova (2000)*

Mongolia
G *Law of Mongolia on Consumer Protection (2003)*
F *Banking Law (1996); Law on Deposits, Loans and Transactions (1995)*

Morocco
E *Bill No. 27–00* enacting consumer protection measures is currently before Parliament.
F *Banking Law (Chapter II, Section VI) (2006)*
O *Law on Fair Pricing and Competition (2006)*

Mozambique
G *Consumer Protection Law (2009)*
F *Law 15/99—Law of Credit Institutions and Financial Companies (1999)*, amended by *By-Law 9/04 (2004); Notice No. 5/GBM/2009 (2009).*

Namibia
G Name of law not provided.

Nepal
G *Consumer Protection Act (1997)*

TABLE 13 (CONTINUED)
Consumer protection legislation

	G	E	F	O
	General **consumer protection law without explicit reference to financial services**	**Consumer protection law with *explicit* reference to financial services**	**Consumer protection regulations within the framework of *financial* sector legislation**	***Other*** **types of consumer protection regulation**
Netherlands	✔	✔	X	X
New Zealand	✔	✔	✔	X
Nicaragua	✔	✔	X	✔
Niger	X	✔	X	✔
Nigeria	X	✔	X	X
Norway	✔	✔	✔	X
Oman	✔	X	X	✔
Pakistan	X	✔	✔	✔
Panama	✔	✔	✔	✔
Papua New Guinea	X	X	X	X
Paraguay	✔	X	X	✔

Netherlands
G *Dutch civil law (i.e., Dutch Civil Code); Act for the Enforcement of Consumer Protection (2007)*
E *Financial Services Act (2006)*

New Zealand
G *Fair Trading Act (1986)*
E *Securities Act (1978); Securities Markets Act (1988); Unit Trusts Act (1960); Superannuation Schemes Act (1989); Credit Contracts and Consumer Finance Act (2003)*
F *Securities Regulations; Financial Service Providers (Registration and Dispute Resolution) Act (2008); Financial Advisers Act (2008). The Financial Service Providers Act and Financial Advisers Act* provide for the registration of all financial service providers, consumer access to dispute resolution schemes, and authorization of financial advisers, conduct rules, and disclosure of information.

Nicaragua
G *Law No. 182, Law on Consumer Protection (1994)*
E *Draft Law on the Protection of the Rights of Consumer Users (2006)*
O *Regulation of Law No. 182 (1999)*

Niger
E *Law on the Definition and Repression of Usury (1997)*
O *Notices to Banks and Financial Institutions on Banking Conditions (1992)*

Nigeria
E *Consumer Protection Act (1992)*

Norway
G *Marketing Control Act (2009); Personal Data Act (2001)*
E *Financial Contracts Act (1999)*
F *Loan Contract Regulation (2000)*

Oman
G *Consumer Protection Law (2002)*
O *Banking Law of the Sultanate of Oman (1974)*. Under the *Banking Law*, the Central Bank is required to take up customer grievances addressed to it with the concerned licensed institutions for amicable resolution.

Pakistan
E *Banking Companies Ordinance, Section 82A–G (1962)*
F *State Bank of Pakistan Act (1956); Microfinance Institutions Ordinance (2001); State Bank of Pakistan regulations*
O *BPD Circular No. 30 of 2005 Basic Banking Account (2005); BPRD Circular No. 13 of 2008 Fair Debt Collection Guidelines (2008); BPRD Circular No. 38 of 1997 Collection of Utility Bills (1997); Circular Letter No. 25 of 2009 (2009); BPRD Circular No. 11 of 2009 Pension Disbursement through Banks (2009); BPD Circular No. 23 of 2003 Service Charges on PLS Deposits (2003); BPD Circular No. 12 of 2006 Suo–Moto (2006); Case No. 4 /2006—Proper Arrangements in Commercial Banks for Depositing Utility Bills (2006); Service Charges PLS Deposits BPD of 2003 (2003); BSD Circular Letter No. 17 of 2000 (2000)*. The State Bank of Pakistan is also working on a draft Consumer Protection Law.

Panama
G *Law No. 45, establishing Norms on Consumer Protection and Fair Competition (2007)*
E *Banking Law, Executive Decree No. 52 (2008),* which adopts the text of *Decree Law 9 (1998)*, as amended by *Decree Law 2 (2008)*
F *Agreement No. 2, Procedures for Dealing with Complaints to the Superintendant (2008)*
O *Law No. 81, Protection of the Rights of Users of Credit Cards and Other Funding Cards (2009)*

Papua New Guinea

Paraguay
G *Law No. 1-1334 on Consumer Protection (1998)*
O *Information Transparency of Law No. 861/96, General Banking, Financial and Other Credit Institutions, Article 106 (1996)*. The law provides some measure of protection to customers of financial institutions.

TABLE 13 (CONTINUED)
Consumer protection legislation

	G	E	F	O
	General **consumer protection law without explicit reference to financial services**	**Consumer protection law with** ***explicit*** **reference to financial services**	**Consumer protection regulations within the framework of** ***financial*** **sector legislation**	***Other*** **types of consumer protection regulation**
Peru	✔	✔	✔	X

G *Law of the System of Consumer Protection approved by Supreme Decree No. 006–2009–PCM (2009)*. Since 2000, there have been rules enacted on the issue of consumer protection. However, these have been updated over time. Currently, the existing rule is the consolidated text of the law named here. It is important to note that the competent authority in this area is the Institute of the Defense of Competition and Intellectual Property (INDECOPI).
E *Complementary Law No. 28587 on Financial Consumer Protection (2005)*. The aforementioned *Supreme Decree No. 006–2009–PCM* provides guidelines on the use of financial services or products, in addition to *Complementary Law No. 28587*.
F *Information Transparency Regulation* and regulations applicable to engagement with users of the financial system, approved through *Resolution No. 1765–2005 SBS (2005)*
O In 2009, work began with the aim of developing a *Consumer Code* with rules that would provide greater protection to consumers.

	G	E	F	O
Philippines	✔	✔	✔	✔

G *Consumer Act of the Philippines (1992)*
E *Republic Act No. 1405 – Law on Secrecy of Deposits (1955),* amended by *Presidential Decree No. 1792 (1981)* and *Republic Act No. 7653 – New Central Bank Act (1991); Republic Act No. 6426 – Foreign Currency Deposit Act of the Philippines (1974),* amended by *Presidential Decree No. 1035 (1976)* and *Presidential Decree No. 1246 (1977); Republic Act No. 3765 – Truth in Lending Act (1963); Republic Act No. 8484 – Access Devices Regulation Act (1998); Presidential Decree No. 957, Section 18 – The Subdivision & Condominium Buyers' Protective Decree; Republic Act No. 7279 – Urban Development & Housing Act (1992); Republic Act No. 6977 – Magna Carta for Small & Medium Enterprises (1991),* amended by *Republic Act No. 8289 (1997); Republic Act No. 9178 – Barangay Micro Business Enterprises Act (2002); Republic Act No. 8435 – Agriculture & Fisheries Modernization Act (1997); Republic Act No. 8792 – E-Commerce Law (2000); Batas Pambansa Blg. 344 – Law for the Disabled (1982); Republic Act No. 9510 – Credit Information System (2008)*
F *Revised Rules & Regulations implementing Republic Act No. 9160 – The Anti-Money Laundering Act (2001),* amended by *Republic Act No. 9194 (2003); General Banking Law (2000); BSP Manual of Regulations for Banks (MORB); BSP Manual of Regulations for Non-Banks & Financial Institutions (MORNBFI)*
O *BSP Manual of Regulations on Disclosure*; *Circular Letter–2009–038 on Consumer Protection against Unfair Collection Practices (2009); Circular Letter–2009–029 on Consumer & Bank Protection & Complaints Handling Mechanism on Matters Related to Bank Security Programs & Use of Electronic Banking Facilities (2009); Circular Letter–2009–006 on Remittance Scam Involving the Use of Credit Cards (2009)*; Various advisories on BSP's Web site and in newspapers.

	G	E	F	O
Poland	✔	✔	✔	✔

G *Act on Competition and Consumer Protection (2007); Act on Combating Unfair Commercial Practices (2007)*
E *Act on the Protection of Certain Consumer Rights and on the Liability for Damage Caused by a Dangerous Product (2000)*
F *Act on Consumer Credit (2001)*
O *Act on Investment Funds (2004)*

	G	E	F	O
Portugal	✔	X	✔	✔

G *Law No. 24/1996 – General Consumer Protection Law (1996)*
F *Decree–Law No. 133/2009 of 2 June*: Introduced a regime of maximum annual rates of charge that credit institutions must comply with in consumer contracts; *Instruction No. 8/2009: A Standardized Information Sheet* to be provided to customers in the precontractual stages of consumer credit; *Instruction No. 11/2009*: The standardization of the method for calculating the Annual Rate of Charge; *Decree–Law No. 192/2009 of 17 September*: The introduction of the concept of Adjusted Annual Rate of Charge, an interest rate that takes into account the cost of products and services subscribed in tandem with a housing mortgage credit in order to reduce the spread or the fee of this credit, and also extends the rules of *Decree–Law No. 51/2007* to related housing mortgage credits, specifically the caps on penalties in case of early repayment; *Decree–Law No. 103/2009 of 12 May*: The creation of an extraordinary credit line, during two years, in order to provide protection of the proprietary home in case of unemployment; *Decree–Law No. 222/2009 of 11 September*: The insertion of measures of consumer protection concerning life insurance contracts associated to the housing mortgage credit; *Notice No. 4/2009* and *5/2009*: A Standardized Information Sheet to be provided to customers for all kinds of deposits (plain vanilla, dual and indexed); *Notice No. 6/2009*: A 100% capital guarantee for all deposits; the indexed deposits must be linked to relevant economic or financial variables; *Notice No. 10/2008 of 22 December*: New information and transparency duties with which credit institutions have to comply when advertising their products and services; *Notice No. 8/2008 of 12 October*: A list of fees and charges applied by credit institutions, when selling their products and services, must be easily accessible to customers in all branches; *Decree–Law No. 317/2009 of 30 October*: A new legal framework applicable to Payment Services, which transposes the *European Directive No. 2007/64/EC*; *Decree–Law No. 430/91 of 2 November*: Establishes the different types of deposits permitted by law; *Decree–Law No. 349/98 of 11 November* and *Decree–Law No. 51/2007 of 7 March*: Govern the commercial practices and information duties of credit institutions in the scope of housing mortgage credit; introduce the concept of annual rate of charge as well as a cap on the penalty fees charged in case of early repayment of housing loans; *Decree–Law No. 171/2008 of 26 August*: Prohibits the charging of any fee for renegotiating housing mortgage contracts and for making such renegotiations dependent on the subscription of additional financial products and services; *Decree–Law No. 240/2006 of 22 December*: Establishes the rules on interest–rate rounding in housing mortgage credit contracts.
O *Instruction No. 27/2003*: Establishes a Standardized Information Sheet for housing mortgage credit, based on *European Commission Recommendation No. 2001/193/EC*; *Notice No. 3/2008*: Establishes rules on the information provided to customers regarding their net current account balance.

	G	E	F	O
Puerto Rico	✔	✔	✔	✔

G *Law No. 4: Creates the Office of the Commissioner of Financial Institutions (1985)*
E *Regulation No. 6194: Lease of Movable Property with the Option to Buy (2000)*
F *Regulation No. 6451: On Collection Agencies (2002)*
O *Regulation No. 7751: Against Deceptive Practices and Advertisements (2009)*

	G	E	F	O
Romania	X	X	X	X
Russian Federation	X	✔	X	✔

E *Law on Consumer Protection (1992)*
O *Law on the Insurance of Individual Deposits in Russian Banks (2003)*

TABLE 13 (CONTINUED)
Consumer protection legislation

	G	E	F	O
	General **consumer protection law without explicit reference to financial services**	**Consumer protection law with** ***explicit*** **reference to financial services**	**Consumer protection regulations within the framework of** ***financial*** **sector legislation**	***Other*** **types of consumer protection regulation**
Rwanda	X	X	X	X
Senegal	X	✔	X	✔
E *Law on the Definition and Repression of Usury (1997)* ***O*** *Notices to Banks and Financial Institutions on Banking Conditions (1992)*				
Serbia	✔	X	✔	✔
G *Law on Consumer Protection (2005)* ***F*** *RS Official Gazette No. 15/2009—Decision Specifying Conditions and Manner of Dealing With Bank Customer Complaints (2009); RS Official Gazette No. 4/2006—Decision on Minimum Conditions for the Conclusion of the Financial Lease Contract and the Manner of Disclosing the Leasing Fee and other Costs Arising from the Conclusion of such Contract and its supplement in RS Official Gazette No. 64/2006 (2006)*. According to the supplement on the *Decision on Minimum Conditions* for the lessee–natural person, the obligation to make an upfront payment (in an amount that cannot be lower then 20% of the gross purchase value of the lease object), was suspended until the end of 2009. ***O*** *Decision on the General Terms of Business Applied by Banks in Relations with Natural Person Clients (2009)*				
Sierra Leone	✔	✔	✔	X
G *Banking Act (2000); Other Financial Services Act (2001); Payments System Act (2008)* ***E*** *Banking Act (2000); Other Financial Services Act (2001)* ***F*** *Banking Regulations Act (2005)* ***O*** A review of the statutes focusing on consumer protection issues is currently in process.				
Singapore	✔	✔	✔	X
G *Consumer Protection (Fair Trading) Act (2003)* ***E*** *The Consumer Protection (Fair Trading) (Regulated Financial Products and Services) Regulations (2009); Securities and Futures Act (2001); Financial Advisers Act (2001)* ***F*** *Securities and Futures Act (2001); Financial Advisers Act (2001)*. Both acts contain various provisions which address risks to consumers such as those arising from insufficient, false, or misleading disclosure, conflicts of interest, and misrepresentation.				
Slovak Republic	✔	✔	✔	X
G *Act on Consumer Protection (1992)* ***E*** *Act No. 266/2005 Coll. on the Consumer Protection in Connection with the Distance Financial Services (2005)* ***F*** *Act No. 747/2004 Coll. on Supervision of the Financial Market (2004); Act No. 659/2007 Coll. on the Introduction of the Euro in the Slovak Republic (2007); Act No. 483/2001 Coll. on Banks (2001); Act No. 186/2009 Coll. on Financial Intermediation and Financial Counselling (2009); Act No. 492/2009 Coll. on Payment Services (2009); Act No. 8/2008 Coll. on Insurance (2008); Act No. 43/2004 Coll. on Retirement Pension Saving (2004); Act No. 566/2001 Coll. on Securities and Investment Services (2001); Act No. 594/2003 Coll. on Collective Investment (2003); Act No. 118/1996 Coll. on Deposit Protection (1996); Act No. 650/2004 Coll. on Supplementary Pension Saving (2004)*				
South Africa	✔	✔	X	X
G *Consumer Affairs Act (2001)* ***E*** *National Credit Act (2007)*				
Spain	✔	X	✔	✔
G *Royal Legislative Decree 1/2007 of November 16,* approving the revised text of the *General Law for the Protection of Consumers and Users*, and other complementary laws *(2007)* ***F*** Beyond the specific rules relating to securities and insurance, outside of the Bank of Spain, there is *Royal Decree 303/2004, Approving the Regulation of the Commissioners for Financial Consumer Protection (2004); ECO Order 734/2004, On the Departments and Services of Customer Care and Protection of the Clients of Financial Institutions (2004); Order of 12.12.1989 on Interest Rates and Fees, Performance Standards, Customer Information and Advertising by Financial Institutions (1989); Order of 5.5.1994, Transparency of the Financial Conditions of Mortgage Loans (1994); Circular No. 8 /1990 of the Bank of Spain, Transparency of Operations and Protection of Customers (1990); Order PRE/1019/2003, Transparency of Prices of Banking Services Delivered through ATMs (2003)*. ***O*** *Law 7/1995, On Consumer Credit (1995); Act 2, On Subrogation and Modification of Mortgage Loans (1994); Law 22/2007, On Provision of Financial Services Remotely (2007); Law 41/2007, amending Law 2 /1981, Regulation of the Mortgage Market and other Rules of the Mortgage and Financial System (regulation of reverse mortgages and care insurance, by establishing certain tax legislation) (2007); Law 2 /2009, Contractual Regulation of Loans or Mortgage Loans & Credit and Related Financial Intermediation Services (2009); Law 16/2009, On Payment Services (2009); Law 7/1998, On General Contractual Conditions (1998)*. There is different legislation for the protection of financial consumers in various operational provisions, both in law as Orders and in Circulars of the Bank of Spain.				
Sri Lanka	✔	✔	✔	X
G *Consumer Protection Act (1979)* ***E*** *Banking Act (1988)* ***F*** *Banking Act (1988)*				
St. Kitts and Nevis	X	X	X	X
St. Lucia	X	X	X	X

TABLE 13 (CONTINUED)
Consumer protection legislation

	G	E	F	O
	General **consumer protection law without explicit reference to financial services**	**Consumer protection law with** ***explicit*** **reference to financial services**	**Consumer protection regulations within the framework of** ***financial*** **sector legislation**	***Other*** **types of consumer protection regulation**
St. Vincent and the Grenadines	X	X	X	X
Sudan	X	X	X	X
Swaziland	✔	✔	✔	✔
G *Competition Commission Act (2008)* ***E*** Name of law not provided. ***F*** *Financial Institutions Act (2005)* ***O*** *Central Bank of Swaziland (CBS) Order (1974)*				
Sweden	✔	✔	✔	✔
G *Consumer Sales Protection Act (1990)* ***E*** *Consumer Credit Act (1992)* ***F*** *Financial Advice to Consumers Act (2003)* ***O*** *Finansinspektionen's (Swedish Financial Supervisory Authority) Regulations and General Guidelines regarding Financial Advice to Consumers (2004)*				
Switzerland	✔	✔	✔	✔
G Several codes of Swiss civil law carry special rules favoring consumers. ***E*** *The "Konsumkreditgesetz" (KKG) (2001)* governs credit relations with consumers with the main aim to protect them against over indebtedness. ***F*** Several provisions of Swiss banking law and financial products law carry rules to protect unqualified investors, to mitigate information asymmentries, and to impose duties and rules of business conducts on financial services providers. ***O*** A lot of topics are governed by self–regulation issued by industry associations, such as the Swiss Banking Association. In part, violation of those self-regulation rules may lead to supervisory sanctions, as would the breach of state law.				
Syrian Arab Republic	X	✔	X	X
E *Consumer Protection Law No. 2 (2008)*				
Taiwan, China	✔	X	X	X
G *The Consumer Protection Law (1994)*				
Tajikistan	✔	X	✔	X
G *Law on Consumer Protection* ***F*** *Banking Act (1998)*				
Tanzania	✔	X	X	X
G *Fair Competition Act (2003)*				
Thailand	✔	X	✔	X
G *Consumer Protection Act (1998)* ***F*** *Financial Institutions Act (2008)*				
Togo	X	✔	X	✔
E *Law on the Definition and Repression of Usury (1997)* ***O*** *Notices to Banks and Financial Institutions on Banking Conditions (1992)*				
Tunisia	✔	X	✔	X
G *Law N°92–117 on Consumer Protection (1992); Law N°91–64 on Competition and Pricing (1991); Law N°98–39 on Financing (1998); Law N°98–40 on Sales Techniques and Commercial Advertising (1998); Organic Law N°2004–63 on the Protection of Personal Data (2004)* ***F*** *Law N°2001–65 on Credit Institutions (2001); Law N°2006–26 amending and supplementing Law N°58–90 on the Establishment and Organization of the Central Bank of Tunisia (2006).* The Center for Banking Services was created in 2006 under the Central Bank and is charged with monitoring the quality of services provided by credit institutions to their clients and the establishment of reference guides for banking services in order to inform the public and disseminate best practices in this sector. The promotion of the quality of banking services was established as a legal obligation in 2006. The supervision of bank–client relations was brought about by the enactment of the management agreement on deposit accounts, the definition of basic banking services, and the establishment of a mediation system to amicably resolve disputes between two parties.				

TABLE 13 (CONTINUED)
Consumer protection legislation

	G	E	F	O
	General **consumer protection law without explicit reference to financial services**	**Consumer protection law with** ***explicit*** **reference to financial services**	**Consumer protection regulations within the framework of** ***financial*** **sector legislation**	***Other*** **types of consumer protection regulation**
Turkey	X	✔	✔	X

E *Law No. 4077 on Consumer Protection (1995)*
F *By–Law on Rules and Procedures for Early Repayment Discount for Consumer Credits and Calculation of Annual Cost Rate (2003); By–Law on Rules and Procedures for Pre–Contractual Information Sheet Given by Housing Finance Institutions (2007); By–Law on Rules and Procedures for Informing Consumers about Housing Finance Contracts Containing Variable Interest (2007); By–Law on Rules and Procedures for Early Repayment Discount and Calculation of Annual Cost Rate in the Housing Finance System (2007); By–Law on Rules and Procedures for Refinance of Loans under Housing Finance (2007)*

	G	E	F	O
Uganda	X	X	✔	X

F *Financial Institutions Act (2004); Microfinance Deposit–Taking Institutions Act (2003).* The *Financial Institutions Act* and the *Microfinance Deposit–Taking Institutions Act* ensure the safety of depositors' funds.

	G	E	F	O
Ukraine	✔	✔	✔	X

G *The Law of Ukraine on Consumer Rights Protection (1991)*
E *The Law of Ukraine on Consumer Rights Protection* (amended in 2001 to include financial service provisions)
F Name of law not provided (2007).

	G	E	F	O
United Arab Emirates	X	X	X	X
United Kingdom	✔	✔	✔	✔

G *Cancellation of Contracts made in a Consumer's Home or Place of Work Regulations (2008); Consumer Protection Act (1987); Consumer Protection (Distance Selling) Regulations (2000); Consumer Protection from Unfair Trading Regulations (2008); Estate Agents Act (1979); Fair Trading Act (1973); General Product Safety Regulations (2005); Package Travel, Package Holidays and Package Tours Regulations (1992); Prices Act (1974); Property Misdescriptions Act (1991); Protection from Harassment Act (1997); Sale and Supply of Goods to Consumers Regulations (2002); Sale of Goods Act (1979); Supply of Goods (Implied Terms) Act (1973); Supply of Goods and Services Act (1982); Timeshare Act (1992); Weights and Measures Act (1985); Weights and Measures (Packaged Goods) Regulations (2006)*
E *Consumer Credit Act (1974); Unfair Contract Terms Act (1977); Unfair Terms in Consumer Contracts Regulations (1999)*; numerous other regulations, including provisions relating to interest rates.
F There are numerous regulations but the main provisions are contained in the *Financial Services and Markets Act (2000)* and *Consumer Credit Act (1974)*.
O *Financial Services and Markets Act (2010)* grants power to the Financial Services Authority (FSA) to make rules to protect consumers. These are contained in the FSA's Handbook. There are many laws and regulations that relate to consumer protection in financial services in the UK. This legislative framework includes acts of the UK parliament and statutory instruments, some of which enact EU law into domestic law. In addition, the UK's common law system means that these acts and regulations are supplemented by judge–made laws.

	G	E	F	O
United States	✔	✔	✔	✔

G *Federal Trade Commission Act (1914)*
E *Consumer Credit Protection Act (1968)*
F There are numerous regulations issued by federal agencies that supervise depository institutions.
O The US has numerous laws, both federal and state, that regulate a broad range of financial services for consumer protection.

	G	E	F	O
Uruguay	✔	✔	✔	✔

G *Law on Consumer Relations (2000)*
E *Usury Law (2007)*
F *Circular 2.016 BCU, Relationship with Customers and Information Transparency (2009)*
O *Regulatory Decree of the Law of Usury (2009)*

	G	E	F	O
Uzbekistan	X	✔	X	X

E *Law on Protection of Consumers' Rights (1996)*

	G	E	F	O
Venezuela, R.B. de	✔	X	✔	✔

G *Law for the Protection of Persons in Access to Goods and Services (2010)*
F *Resolution No. 147.02, Official Gazette of the Bolivian Republic of Venezuela No. 37.517, Rules for the Protection of Users of Financial Services (2002); Resolution No. 209.08, Official Gazette No. 39.002, Concerning Preferential Treatment and the Adequacy of Facilities for People with Disabilities, Seniors and Pregnant Women (2009); Resolution No. 385.07, Official Gazette No. 38.825, Stating that All Financial Institutions that Capture Public Resources Must Provide at Least One Checkbook per Checking Account at the Time of Account Opening (2007)*
O *Resolution No. 228.07, Official Gazette No. 38.800, Prohibiting Financial Institutions from Using Compound Interest in the Calculation of Interest on Lending in the Form of Credit Cards (2007)*

TABLE 13 (CONTINUED)
Consumer protection legislation

	G	E	F	O
	General **consumer protection law without explicit reference to financial services**	**Consumer protection law with** ***explicit*** **reference to financial services**	**Consumer protection regulations within the framework of** ***financial*** **sector legislation**	***Other*** **types of consumer protection regulation**
Vietnam	X	X	✔	X
F *Credit Institution Law (1997); Government's Decree on Deposit Insurance (1999)*				
Yemen, Rep. of	X	X	X	X
Zambia	✔	X	✔	X
G *Competition and Fair Trading Act (1994)* ***F*** *Statutory Instruments No. 179 (Cost of Borrowings) and No. 183 (Disclosure of Deposit Charges and Interest) of the Banking and Financial Services Act (1995)*				
Zimbabwe	✔	✔	✔	X
G *Hire Consumer Contact Act (1994)* ***E*** *Moneylending and Rates of Interest Act (1930); The Banking Act (1999)* ***F*** *Moneylending and Rates of Interest Act (1930); The Banking Act (1999)*				