

**OECD-SEBON**  
CONFERENCE AND ROUNDTABLE ON  
FINANCIAL CONSUMER PROTECTION AND  
EDUCATION IN ASIA-PACIFIC

**Understanding and Responding to the Impact of  
Demographic Changes for Financial Consumers**

**CONFERENCE  
PROCEEDINGS**

2-3 July, 2019  
Kathmandu, Nepal



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July 21, 2019



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#### **About SEBON**

Securities Board of Nepal (SEBON) was established by the Government of Nepal in June, 1993 as an apex regulator of securities markets. SEBON is responsible to maintain fair, efficient and transparent securities markets in Nepal. It is also committed to protect the interests of securities market investors and facilitate market development. After the implementation of Commodities Exchange Act-2017, SEBON is also responsible for the regulation of commodities exchange market in Nepal.

#### **About the OECD**

The OECD is a forum in which governments compare and exchange policy experiences, identify good practices in light of emerging challenges, and promote decisions and recommendations to produce better policies for better lives. The OECD's mission is to promote policies that improve the economic and social well-being of people around the world.

About the G20/OECD Task Force on Financial Consumer Protection The G20/OECD Task Force on Financial Consumer Protection was created in 2010 as part of the OECD's Strategic Response to the financial crisis. The Task Force coordinates financial consumer protection policy at the international level and provides a forum for sharing of information, research and expertise. The Task Force is responsible for the High-Level Principles on Financial Consumer Protection endorsed by the OECD and the G20. The Principles are designed to assist countries to develop a robust and comprehensive framework for financial consumer protection.

About the OECD International Network on Financial Education (INFE) Created in 2008, the OECD/INFE promotes and facilitates international co-operation between policy makers and other stakeholders on financial education issues worldwide. More than 250 public institutions from 119 economies have joined the OECD/INFE. [www.financial-education.org](http://www.financial-education.org)

#### **Venue**

Hotel Yak & Yeti  
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# Preface

SEBON, the first OECD/INFE full member jointly organised the first SEBON-OECD Conference on Financial consumer protection and education in Asia-Pacific on July 2-3, 2019 in Kathmandu, Nepal. The major objective of this two day conference was to provide a platform to ascertain the reality of financial awareness and education, role it is playing in investment behaviour of customer, the coverage in the different strata of populace, empowerment to the child and old-age group, and inclusion of old-age populace in the main stream of modern financial system.

The conference was inaugurated by the Honourable Finance Minister, Dr Yuba Raj Khatiwada. This conference was run by five different sessions with national and international moderators and panelists regarding the area of financial education, inclusion, financial consumer protection in Nepal, reducing financial vulnerabilities from childhood, etc. along with two keynotes on technology as a tool to promote the financial inclusion of older people and on Japan's G20 Presidency Fukuoka priorities.

Honourable Finance Minister Dr Khatiwada in his keynote speech pointed out that being financially educated is far deeper than being financially-literate, which is a life-time process. He highlighted that financial inclusion is a key intervention by which one can engage people in production processes and also those in self-employment and to develop the habit of savings during the productive years of one's life for financial independence later for their old age, while being a part of any government social protection system. He further emphasized that growth becomes inclusive only when it becomes participatory and equitable through shared resources.

SEBON Chairman in his welcome remarks said that we do agree that financial education and consumer protection are integral part of the bunch of tools to build a sustainable, credible, resilient and inclusive financial sector. He expressed his belief the conference would be a turning point to the policy makers, practitioners, academics at local and international level by providing them a required forum in discussing the issues and perspective of promoting financial education and consumer protection which is an indispensable component of sustained economic growth of economies and prosperity of the people.

Mr Antonio Gomes, Deputy Director of OECD in his video message, focused on a trilogy approach which is a combination of financial education, financial consumer protection

and financial inclusion policies. This comprehensive mix ensures that demand- and supply-side measures are used together to address policy issues in a way that supports financial stability and consumer empowerment

The first session of the conference was titled as "Financial Education, Inclusion, and Financial Consumer Protection in Nepal and Across the Region". The focus of the session was to explore the challenges and opportunities for policy makers and other stakeholders seeking to promote financial education, financial consumer protection and financial inclusion in Nepal and other countries in the region.

Similarly, the second session was about "Supporting financial inclusion for older people". The emphasis of this session was about the policy tools to support and promote the financial inclusion of ageing populations. The discussion on this session covered countries with ageing populations as well as those with populations that are currently young, but facing the benefits and challenges of increased longevity.

The third session with the title as "Reducing financial vulnerabilities from childhood" focused on the area of financial inclusion, financial consumer protection and financial education work together to reduce financial vulnerabilities. The main objective of this session was reducing financial vulnerabilities most effectively by ensuring that children and young people develop positive financial attitudes and behaviours and have a thorough understanding of basic financial matters from a young age.

The session four was about understanding the different needs of rural, remote and urban populations. The objectives of the session were : How do the needs of financial consumers living in urban environments differ from those in rural and remote locations ? Governments see to ensure that everyone is financially included, regardless of where they live. How is this achieved in practice ? What are the most effective ways of reaching people, and who should take responsibility ?.

The Fifth and final Session of the conference was on the title as "Improving financial literacy and access for micro and small enterprises MSEs". This session looked at approaches to improve access to finance and to develop financial skills. Issues covered included the potential for alternative sources of finance and FinTech developments, together with effective financial literacy programmes for micro-entrepreneurs.

The conference was followed by The 9th roundtable on financial literacy and financial inclusion in Asia and the Pacific. The main objective of the roundtable discussion was to

reinforce the awareness on the importance of financial education and financial consumer protection policies, including for financial inclusion among financial authorities and to allow their key representatives to exchange experiences, main challenges and lessons drawn from these initiatives.

The conference was participated by a total of 125 high level officials and experts including 36 international participants from 13 countries such as France, Australia, United States of America, India, Bhutan, China, Thailand, Cambodia, Singapore, Japan, Kazakhstan, and South Africa and 20 various international organisations as well. The different Nepalese representation includes Ministry of Finance, Office of the Company Registrar, SEBON, Nepal Rastra Bank, Insurance Board, ICAN, Employee Provident Fund, different universities, experts and market participants etc.

SEBON is publishing this proceedings that consist all activities of each sessions performed during the conference along with SEBON's Chairman welcome speech, keynote speech of Finance Minister of Nepal Government, Acting Governor of Nepal Rastra Bank, video addresses of Deputy Director of the Directorate for Financial and Enterprise Affairs, OECD as well as queries raised from the floor. I hope this proceeding will be an important document that will be useful in sharing the subject matter presented and discussed, and ideas and suggestive measures put forward in the conference to stakeholders to formulate the policies to help enhance the financial literacy all over the country and encourage and facilitate such an effort in the days to come.

We would like to appreciate the role of OECD officials for encouraging and supporting SEBON with the opportunity to jointly organise an important conference and roundtable on financial consumer protection and education in Asia-Pacific region and also thanks to SEBON employees who have rigorously involved for making the event successful .

July 21, 2019

Dr Rewat Bahadur Karki  
Chairman

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# List of Abbreviations

OECD- Organisation for Economic Co-operation and Development

INFE- International Network for Financial Education

FCP- Financial Consumer Protection

RBI-Reserve Bank of India

CEPC- Consumer Education and Protection Cells

IRDAI-Insurance Regulatory and Development Authority India

PFRDA-Pension Fund Regulatory and Development Authority

IVR- Interactive Voice Response

JAM- Jan DhanAdhaar and Mobile

FSCA- Financial Sector Conduct Authority

MFI-Micro Finance Institution

BFI-Bank and Finance Institution

ME- Micro Enterprises

MSME- Micro, Small, and Medium Sized Enterprises

KPI-Key Performance Indicator

SEBON- Securities Board of Nepal

GPFI-Global Partnership for Financial Inclusion

G20- Group of Twenty

GNH- Gross National Happiness

DBN- Dummy Bank Notes

UNCDF- United Nations Capital Development Fund

NRB- Nepal Rastra Bank

SME- Small and Micro Enterprise

CESR- Centre for Economic and Social Research

TFR- Total Fertility Rate

IOSCO-International Organisation of Securities Commissions

JFSA- Japan Financial Services Agency

AFI- Alliance for Financial Inclusion

FSDC- Financial Stability and Development Council

NCFE- National Centre of Financial Education

NSFE- National Strategy of Financial Education

NFLAT- National Financial Literacy Assessment Test

MSPP- Money Smart School Programme

FETP- Financial Education Training Programme

NTU- Nanyang Technological University

ATM- Automated Teller Machine

KYC- Know Your Customer

RBISAY- RBI Say

NBI- National Banking Institute

## OECD-SEBON Conference and Roundtable on Financial Consumer Protection and Education in Asia-Pacific

**AGENDA:** Understanding and Responding to the Impact of Demographic Changes for Financial Consumers

**Dates:** July 2 and 3, 2019

A Two Day Conference and Roundtable on “**Financial Consumer Protection and Education in Asia-Pacific**” was jointly organised by Securities Board of Nepal (SEBON) and Organisation for Economic Cooperation and Development (OECD) on July 2 and 3, 2019 at Hotel Yak and Yeti, Kathmandu. The conference got kick started with welcome remarks by the Chairman of SEBON, Dr Rewat Bahadur Karki. Many national and international dignitaries including Honorable Finance Minister Dr Yubraj Khatiwada, Deputy Governor, Nepal Rastra Bank, Mr Chintamani Siwakoti, Deputy Director of OECD, Mr Antonio Gomes, OECD Financial Education Department Head Dr Adele Atkinson and OECD Consumer Protection Department Head Mr Miles Larbey, and distinguished delegates from OECD/INFE graced the plenary session of the conference. A total of 125 high level officials including 36 international participants from 14 different countries participated in the two-day conference.

Dr Karki in his welcome remarks expressed his utmost gratitude to Chief Guest, Honourable Finance Minister, Government of Nepal, Dr Yubraj Khatiwada for gracing the occasion with his presence. He also welcomed Mr Antonio Gomes, Deputy Director of the Directorate for Financial and Enterprise Affairs, OECD whose video address was aired in the opening ceremony of the conference. After the video address, Dr Karki also made a special mention and acknowledged the presence of Acting Governor Mr Chintamani Siwakoti, Nepal Rastra Bank-the Central Bank of Nepal and OECD Financial Education Department Head, Dr Adele Atkinson and OECD Consumer Protection Department Head Mr Miles Larbey.

SEBON Chairman thanked the OECD officials for encouraging and supporting SEBON with the opportunity to jointly organise an important conference and roundtable on financial consumer protection and education in Asia-Pacific region with the theme "Understanding and responding to the impact of demographic changes for financial consumers", in the lap of Himalayas. During his remarks, Dr Karki highlighted the main theme of the two day conference as: "Understanding and responding to the impact of demographic changes for financial consumers" in order to provide a platform to

dig-out the reality of financial awareness and education, role it plays in investment behaviour of consumer, status of financial education in the different strata of populace, empowerment to the child and old-age group, use of the-state-of-the-art technology in the promotion of financial education and inclusion of old-age populace in the main stream of modern financial system.

He mentioned that we do agree that financial education and consumer protection are integral part of the bunch of tools to build a sustainable, credible, resilient and inclusive financial sector. This coincides with SEBON mandate to protect the investors and contribute for developing a broad-based economy by regulating the securities and futures markets as well as commodity derivatives markets as per the Securities Related Act, 2006 and Commodities Exchange Market Act, 2017. We believe that we can discharge our mandates in more efficiently with the activities relating to increase and promotion of financial education and investor protection

Dr Karki believed that the conference would be a turning point to the policy makers, practitioners, academics at local and international level as consumer protection and financial education has been deemed as an indispensable component of sustained economic growth of economies and prosperity of the people and this forum will provide a platform for discussion and addressing the issues for the same. Further, he disclosed about the initiatives Government of Nepal has taken to formulate strategies regarding the financial literacy. Similarly, he also noted about Strategies on Financial Education and Inclusion which has already been incorporated in 15<sup>th</sup> National Plan of Nepal.

Honourable Finance Minister, Dr Yuba Raj Khatiwada, inaugurated the programme by lighting the *panas*. This was followed by his Keynote Speech where he pointed out that East has been growing into an economic power house of the world and OECD is emerging as a financial market using both technology and migration from various regions of Asia-Pacific. He particularly noted the issue of aging population in Asia-Pacific region.

Dr Khatiwada mentioned the challenge of providing finance education to the people who keep migrating from one place to the other. About the theme, he emphasized that being financially educated is far deeper than being financially-literate, which is a life-time process. He highlighted that financial inclusion is a key intervention by which one can engage people in production processes and also those in self-employment. He added that (i) creating awareness about available financial resources and their prudent usage, (ii) linking finance with production, (iii) equipping one with the ability to repeat the process and save for the future as the necessary prerequisites for making people

financially educated. He stressed upon the need to develop the habit of savings during the productive years of one's life for financial independence later for their old age while being a part of any government social protection system.

He opined that to be able to attain sustainable developments goals, growth should be inclusive, which is possible by making financial inclusion as the key. He further added that growth becomes inclusive only when it becomes participatory and equitable through shared resources. This results in a society where everybody feels the responsibility for gaining one's share in the growth process without being cheated or getting deprived of one's productivity.

Dr Khatiwada particularly stressed on the need for devising different financial instruments for different demographics, i.e., for younger generation—the risk takers and for elder generation—the risk averters. He opined that being a remittance-based economy, Nepal should give special focus to provide financial education to female population who are the decision makers with respect to utilising the remittance money sent by their male counterparts.

Finance Minister Dr Khatiwada also put forward his thoughts regarding the issue of gender. He stated his observation regarding the trend in Asian nations where women largely participated in income generating work but due of poor literacy level than their counterparts were devoid of opportunities. He stressed upon the greater need of providing attention towards women. He also urged upon the need for organisation like OECD to work in Asia, especially in Nepal, which is growing fast at the rate of 7 percent annually. He added that Nepal could be a major destination of green field investment and for this reason is also called as 'Shining Star' in the region.

Followed by this was short video message by Mr Antonio Gomes, Deputy Director of the Directorate for Financial and Enterprise affairs, OECD. In his video message, Mr Gomes focused on a trilogy approach which is a combination of financial education, financial consumer protection and financial inclusion policies. This comprehensive mix ensures that demand- and supply-side measures are used together to address policy issues in a way that supports financial stability and consumer empowerment. He expressed that the conference was forward thinking-

- a) Aging world population (By 2050, in many regions around the globe at least a quarter of the population will be over 60 years old),
- b) timely- Demographic change and its policy implications are now under the spotlight at the G20 level, through the work of the Global Partnership for

Financial Inclusion. Under the Japanese G20 Presidency, the OECD and the GPMI have identified 8 policy priorities to support ageing populations with coherent financial inclusion policies, in order to contribute to inclusive sustainable development, and

- c) comprehensive- conference will discuss as to how digital technology can be a useful tool to support effective financial inclusion, how financial policies can help to support micro and small enterprises as part of sustainable and inclusive economic and social development and lastly discuss about the different needs of rural, remote and urban populations. He concluded with a positive note that OECD would remain committed in creating better financial education, financial consumer protection, and financial inclusion policies for better lives.

The opening session was followed by address by Chintamani Siwakoti, Deputy Governor, Nepal Rastra Bank-Central Bank of Nepal. In his speech, he focused on how important financial education had become for ensuring financial inclusion and consumer protection. Further, he enumerated some of the works Nepal Rastra Bank (Central bank of Nepal) had been undertaking for financial literacy such as initiation of the International Money Week, implementation of Clean Note Policy, developing stringent Client protection measures and national strategy for financial literacy.

The opening session came to an end with vote of thanks by Mr Paristha Nath Paudyal, Executive Director, SEBON, where he took time to thank all key people instrumental in devising the conference and working tirelessly to make it happen. He added that with Government and financial markets regulators, namely, SEBON, Nepal Rastra Bank and Insurance Board increased focus, financial markets including securities markets were being expanded throughout the country and new investment products, services and technologies were introduced due to the effect of internationalisation. Despite all these developments in the financial markets, the number of people understanding all these things and the basics of financial market was very low. He closed his vote of thanks with the fond hope that the insightful deliberations in the conference and roundtable would be fruitful to the authorities, policy-makers and professionals engaging to raise the level of financial education and customer protection in the Asia-Pacific region.

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## SESSION ONE

### FINANCIAL EDUCATION, INCLUSION, AND FINANCIAL CONSUMER PROTECTION IN NEPAL AND ACROSS THE REGION

The First Session of the Conference was titled as “Financial Education, Inclusion, and Financial Consumer Protection in Nepal and Across the Region”. The panelists for the session were: Mr Miles Larbey, Head of Financial Consumer Protection, OECD, Ms Nangsi Dema, Head of the Financial Inclusion Secretariat, Monetary Authority of Bhutan, and Prof. (Adj) Dr Achyut Wagle, Kathmandu University School of Management and Chair, Institute of Financial Education and Communication of Nepal.

The first panelist, **Mr Miles Larbey**, Head of Financial Consumer Protection, OECD, started off his presentation by stating that OECD has been recognised and acknowledged as the global leader for policy development on financial consumer protection and financial education. He stressed on how protecting and supporting the rights and interests of ordinary consumers has assumed high priority item on the policy agenda in most countries since the occurrence of financial crisis. He stated that financial inclusion in the sense of providing greater access for people to financial products and services is undoubtedly an imperative though, by itself, it is not a sufficient condition. He clarified that having access to financial products and services is not of much use, if they are unfair, exploitative, and money losing propositions. He stressed that financial education is about imparting skills and knowledge to help people keep informed to make appropriate choices/decisions.

He reiterated the status of OECD as a global leader for the development of financial education policy that is aimed at improving the levels of financial literacy of both adults and children. He stated that OECD recognised the need for imparting financial education at a young age and its life-long continuation. Education has to include not only classroom teaching but providing information, education, guidance, and advice through a wide range of delivery mechanisms. He then shared some facts

#### Session One

##### Moderator:

Dr Rewat Bahadur Karki, Chairman,  
Securities Board of Nepal

##### Panelist:

1. Mr Miles Larbey, Head of Financial Consumer Protection, OECD
2. Ms Nangsi Dema, Head of the Financial Inclusion Secretariat, Monetary Authority of Bhutan
3. Dr Achyut Wagle, Prof. (Adj), Kathmandu University School of Management

and figures about OECD International Network for Financial Education (INFE) that was created by OECD in 2008.

INFE is set up to bring together representatives of public authorities working on this issue from around 119 countries including Nepal espousing high-level principles on national strategies for financial education. It has developed an OECD/ INFE Toolkit to measure financial literacy and financial inclusion incorporating the necessary guidelines to support financial literacy in schools. After discussing the principles of financial education, he added how levels of financial literacy around the world with average G20 scores of around 12.7 were achieved mainly due to an ever increasing financial knowledge, behaviour, and attitude scores

Mr Larbey stated that G20/OECD Task Force on FCP is the leading international forum for exchange of information and expertise on financial consumer protection among policy makers and development of global policy and guidance. While noting financial consumer protection and financial education are important, he emphasized the need for formulating complementary policy agendas to go hand in hand with financial inclusion in the interests of greater financial wellbeing for people. The coverage of FCP and FE in the G20 Principles on Financial Inclusion explicitly cover and the existence of a dedicated sub-group to FCP and FL attest to this complementary character and the same is acknowledged in the GPFI process.

Mr Larbey further added that the G20 has endorsed and requested several publications from the OECD/INFE. In 2012, they endorsed the High-level Principles on National Strategies and requested additional publications on this topic for the coming years. They have also been particularly supportive of efforts to gather data on financial literacy. And now, all G20 countries were included in a publication on adult financial literacy competencies prepared by the OECD/INFE last year. He talked about the notable ten principles of financial consumer protection of which a few are:

1. Legal, regulatory, and supervisory framework,
2. Role, powers, and capabilities of Oversight Bodies,
3. Equitable and Fair Treatment of Consumers,
4. Disclosure and Transparency.

He added that FCP work is being conducted via the G20/OECD Task Force on Financial Consumer Protection. Later, he discussed about demographic trend, (the emerging issue in the near future), its implication and status of in Asia-Pacific region.



Pointing out a paradox, he stated that while many countries are experiencing the “demographic dividend” with large working age populations, others are in “ageing” or “aged” phase. Similarly, some of the major trends observed in developing countries including Nepal are as under:

- increased life expectancy,
- declining trends in mortality and fertility rates, and
- changing demographic patterns, increasing old age dependency ratios.

He pointed that between now and the year 2050, the numbers of people aged 60 years and older in the region will more than double reaching a whopping 1.3 billion figure. He compared the age pyramid for Nepal and Japan.

He also talked about the impact of issues like credit, saving, and digitalisation. While discussing digital financial inclusion, he shared that digital payments made or received in 2017 constituted 16.3 percent in Nepal vis-à-vis 27.8 percent in South Asia. Similarly, 4 percent people used mobile phone or internet to access their account in Nepal in 2017 while the rate was 7.1 percent in South Asia. Mr Larbey also compared and presented the picture of remittance-driven economy like Nepal with that prevailing in South Asia. The share of domestic remittances sent and received through an account constituted 7.3 percent in Nepal vis-à-vis 7.6 percent in South Asia in year 2018. Similarly, share of domestic remittance sent and received through ‘Over the Counter’ (OTC) services in Nepal is 7.1 percent as against 1.9 percent in South Asia. Similarly, the share of domestic remittances sent and received through cash alone constitute 11.1 percent in Nepal vis-a- vis 8.3 percent in South Asia.

Lastly, he discussed about the importance digital technologies for policy makers while designing policies about (i) Financial education and (ii) Financial Consumer Protection. He not only elaborated on the potential risks but also on some of the possible benefits of digitisation such as the following:

1. Providing services that are tailored to individual needs and facilitate their usage,
2. Offering more convenient, faster, secure and timely transactions,
3. Increasing opportunities for fruitful interactions between financial services providers and consumers through digital interfaces,
4. Improving identification and verification for new customers,

5. Broadening the range of providers,
6. Extending the potential reach and access of financial services and supporting financial inclusion.

On the other side, potential risks included:

1. Misuse of unfamiliar or new products,
2. New types of fraud,
3. Lack of or uneven levels of financial consumer protection,
4. Data protection issues,
5. Inappropriate or excessive use of digital profiling,
6. Growing digitalisation of daily life and of financial decisions is not necessarily matched by increasing digital and financial literacy levels.

However, it becomes crucial that the appropriate administrative authorities adapt to the changing environment before implementing the policies on effective financial education, financial consumer protection, and financial inclusion so that consumers get fully benefitted from the advantages that digitalisation presents while mitigating the potential risks inherent in the transition.

Due to the fact that digitalisation and financial literacy progress together, he underscored the importance of 'technology neutrality' and regulatory responses are needed to be applied for financial consumer protection in digital environment regardless of the distribution channel. This technology also requires several preliminaries. Some of them inter alia are:

- An evidence-based approach using insights gained from data analysis for understanding of the behaviour of consumers;
- Striking the right balance between potential benefits of innovation and maintaining appropriate degree of financial consumer protection;
- Maintaining flexibility, adaptability, and continuous learning;
- Cooperating with other policy makers and oversight bodies; and finally,
- Guidance for policy makers for financial consumer protection was also laid out.

The second panelist was **Ms. Nangsi Dema**, Head of the Financial Inclusion Secretariat, Monetary Authority of Bhutan. Ms. Dema started with a brief review of Bhutan's Financial Inclusion and Journey. She gave a gist of Bhutan's profile in terms of size, population, and area. She added that with a population of around 735,553

in 2017, almost 60 percent of demographics comprise of youth and 10 percent of population is above 60 years. Agriculture, hydropower, and forestry happen to be the main sources of livelihood for this Himalayan kingdom whose real GDP growth rate hovers around 4.63 percent. Unemployment rate at 2.4 percent is comparatively lower than that in other countries of region is an interesting aspect to be noted. Bhutan has remained a democratic constitutional monarchy since 2008. Gross National Happiness (GNH) is reckoned as the major highlight of the country's development philosophy. Ms. Dema proceeded further and discussed about the various challenges being faced and the prospects for Bhutan as a country. Both Nepal and Bhutan, as developing countries, have similar challenges especially those emanating from their geographical terrains. Among other challenges are want of equity financing models, paucity of technology based solutions and infrastructure, and lack of appropriate regulation and measurement capacity and absence of enabling and innovative reforms and regulations to point out a few. She suggested leveraging digital financial services, formulating alternative sources of financing, improving infrastructure and advancing technologies, formulating enabling and innovative reforms and regulations, supply and demand side surveys, and participating in international research while detailing the ways and measures to overcome some of the challenges,

Her presentation portrayed a complete and clear status of Bhutan's financial inclusion. Ms. Dema also put forward the supportive reforms and regulatory interventions for promoting financial inclusion such as registration of MFIs, Agent Banking, Private Money Lending, Private Sector Lending Guidelines 2018, and E-Money Issuer Regulation 2017. Other initiatives included CSI Banking, Credit Information Bureau, and Central Registry for Secured Transaction. She also stressed that financial inclusion took inspiration from His Majesty and is focused on serving the youth of the nation. Ms. Dema also elaborated on the various pillars and enablers of National Financial Literacy/Education Strategy 2018-2023.

With the vision of providing *'Enhanced access to and usage of quality and affordable financial services by all Bhutanese through an inclusive financial system'*, Bhutan's pillars of financial inclusion strategy included appropriate financial products and services, financial accessibility/availability, financing for economic growth, and financial capability, and consumer protection. She elaborated on how supportive policy and regulatory framework, appropriate infrastructure and institutional coordination, and total commitment acted as enablers of financial inclusion. Ms. Dema highlighted about the status of banking service in the country by sharing some sector-specific indicators such as:

- 60.10 percent savings accounts holders, 15.78 percent loan accounts, and 16.90 percent alone had insurance
- There are 1.82 bank branches per 10,000 adults
- 68.08 ATM Total Access Points per 10,000 adults.

She also gave a brief idea about status of digitisation for financial literacy. While the concept of consumer protection is new to Bhutan, Bhutan has been able to live up to the principles of consumer protection, namely:

1. Responsible market conduct and competition;
2. Fair and equitable treatment;
3. Education, disclosure and transparency;
4. Complaints handling and redress; and
5. Protection of privacy of consumer's financial information.

She opined that providing Dummy Bank Notes (DBN) instead of stars to students who excel in academics, sports, and extra-curricular activities would definitely instill the value of financial literacy at young age.

Towards the end of her presentation, Ms. Dema highlighted some of the measures taken for promoting financial education and financial consumer protection in Bhutan such as

- (i) enhancing appropriate access and proximity to the underserved/unserved,
- (ii) financing for economic growth by introducing alternative sources of financing,
- (iii) technology and infrastructure; and
- (iv) improving research, measurement and other enablers. Lastly, she explained how financial literacy would lead to financial education and ultimately to economic transformation. She concluded by reiterating how Bhutan aims to achieve Gross National Happiness agenda as a by-product while implementing the slew of measures she discussed in her presentation.

**Prof. (Adj) Dr Achyut Wagle** of Kathmandu University School of Management and the Chair, Institute of Financial Education and Communication of Nepal was the third speaker in the panel discussion during Session One. Dr Wagle started off by stating that the globally recognised principles of financial inclusion, financial education, and financial consumer protection are yet to find their place in financial and economic policy literature of a developing country like Nepal thereby defeating the very spirit espoused by the OECD/INFE.

He added that most often there is a monolithic obsession for access to finance narrative which is generally understood as having one bank account at least to the head of each family. He emphasized on the need for uniform or, if possible, one single criterion for defining what exactly the financial education stands for. Any activity like obligatory CSR to product promotion such as schemes for account opening by an individual bank are also often described as access to finance endeavours. Similarly, disseminating product information is considered as 'financial education'. The educational material developed for financial literacy of various nature and the efforts put in place even by the public sector institutors are often fragmented and not specifically linked to their well-defined goals and outcomes. He hoped that the conference would mark a significant departure in these key aspects.

## **1. Financial Inclusion**

He shared that according to recent Central Bank statistics, about 29 million bank accounts have been opened which is roughly equal to the number of Nepal's population. One study (UNCDF, 2018; extrapolation made from 2015 figures) showed that only 44 percent of the adult population is actually believed to have access to formal banking services. It must also be confessed that since data credibility itself is a question in the developing world, the stated figures are only indicative.

Moreover, it may also be mentioned that there are a number of dichotomies and rooted gender, spatial, digital and socio-economic inequalities within to name a few. For example, 73 percent account holders live in urban areas.

On the demand side, even according to the conservative estimates of a Government agency, at least 40 percent of the adult population is yet to have access to basic banking services such as holding a functional account besides availing individual savings and credit services. Other important financial products like micro-insurance, retirement planning, pension schemes, and enterprise financing are yet to make meaningful inroads into financial markets.

On the supply side, recent NRB data showed that the number of branches of 176 BFIs reached 8,319 in mid-May 2019 (28 commercial banks, 32 development banks, 24 finance companies, and 91 microfinance financial institutions in addition to 25 insurance companies and two pension funds). Of these 753 local levels, commercial banks extended their branches to 725 levels (NRB, 2019). There are provisions for priority and deprived sector landings, uncollateralised and subsidised loans, along with

interest incentives to different targeted groups. For long, policies on promotion of SMEs, micro-credit, micro-insurance for agricultural products, and other guided lending are being continually announced. However, there is one single insurmountable bottleneck on yielding desired output. One of them, among others, has been the exorbitant cost of funds coupled with sheer lack of entrepreneurship skills in the population. He believed that implementation of policies and all their outcomes and impacts certainly need a cautious review.

## **2. Financial Education**

He stressed upon the need to view and implement differently the concepts of financial literacy and financial education in a developing country like Nepal. Young students should be encouraged to open bank account, develop saving habit, and be introduced about the functions and importance of money as a part of financial literacy. In addition, training to the SME enthusiasts on bank-installment and interest rate calculations, stopping the promoter from involving in insider lending, and barring the employees of the regulatory agencies to act simultaneously as the regulator as well as the investor in the market must be the focus of financial education. He further added that the market players need to be educated that promotion of product and brand cannot be labeled as a financial education endeavour.

He also noted that significant amount has already been mobilised in the name of promoting the financial education (literacy without defined distinction) despite the fact that these efforts are largely fragmented and have been marred by vested interests and continue to remain highly uncoordinated.

## **3. Consumer Protection**

He stated that the consumer protection framework in banking industry is fairly better than that in other sub-sectors of country's financial architecture like insurance, payment gateways, and remittance markets. Institutional mechanisms like savings and credit guarantees besides the legal framework on liquidity and bankruptcy have put the interests of the financial consumers in priority. Rampant information asymmetry between the service providers and seekers, conflict of interests, insider lending (as the owner of the banking and financial services generally own other wider range of businesses also), inadequate regulatory teeth, and strengths of the regulators still put financial consumers in high risk. Nepal has an experience of 'a run on the bank' of an 'A' class commercial bank a decade ago due to rampant insider lending. Similarly, a business tycoon is facing a criminal case recently. He claimed the insurance amount from his own

insurance company a day before his dilapidated factory was 'destroyed' by fire. He stressed much more needs to be done besides protecting the consumers by keeping the legal and institutional frameworks in place. For example, changing their financial behaviour in savings, spending and investing, must form the basis of financial education efforts both in the long and short run especially in countries where general literacy rate itself is relatively low. It is also a matter of increasing concern that interest groups under the political patronage have alarmingly pervaded into the legislative process, specifically in the enactment of laws related to the economic and financial sectors.

Lastly, voicing his thoughts and concerns on way forward for Nepal, he shared that Nepal is in the process of formulating national strategy/framework on financial education and the same has to be seen as a welcome development. He opined that Nepal has an opportunity to work for in all the three key pillars of its Financial System viz., financial inclusion, financial education, and financial consumer protection. But for this, it has to be saved from the syndromes of 'an elephant and blind men' and 'only authorities know it all'.

For this, developing the financial system strictly in accordance with international best practices and norms at once becomes a top priority and an imperative. At the same time, it should also be able to synchronise all efforts related to financial education that now remain fragmented across the sectors and institutions. He added that given the comparable socio-economic realities of Asia-Pacific-South Asia to be specific-cooperation among the regulators, policymakers, financial educators, and financial service industry of different countries should become pivotal to make it beneficial to all the stakeholders. Further, he cited the inflow of workers' remittances and nationwide network of remittance services architecture in the country as a unique feature of Nepal's economy. He attributed this to be acting not only as a significant contributor to financial inclusion but also as one holding true potential to be utilised for extension and expansion of both financial education and financial services to the grassroots.

After the plenary, floor was open for question and answer session. To the query raised by one of the participants on the role of central bank in Bhutan to extend collateral free and concessional loan to micro enterprises, Ms. Dema remarked that financial institutions are facing challenges to secure the small sized credit disbursements to micro enterprises without physical collateral guarantee. However, the group guarantee schemes like of the women entrepreneurs group is facing less of the problem on credit risk.

In reply to the question asked by one of the participants on account opening campaign by the micro finance institutions, Dr Wagle remarked only the number of accounts opened cannot be the benchmark to evaluate the extent of financial inclusion and effective access to finance as the major bottleneck to such financial services remains unsustainably high cost of fund for the micro borrowers. Other financial services like crop and micro insurances at the grassroots is barely available for the common populace.

Dr Karki, concluding the session said that in the developing economies like Nepal, access to even basic financial services to the masses and financial inclusion of the economically and socially marginalised population still remains a great challenge. Despite several legal, institutional and programmatic intervention, for example in Nepal's case, about 40 percent of the population is yet to be served with basic banking services. The scenario of insurance and other value-added services is even worse. We need to make use of technological tools that are emerging. But they themselves have access and affordability issues.

Finally, Dr Karki summed-up the session in three key aspects. One, Developing countries need to take the financial education and financial consumer protection more seriously, introduce more laws related it and make sure the enacted laws are duly enforced. Financial inclusion will remain a key challenge for foreseeable future for small and developing countries. And the developed world should try to take the third world together in adopting and implementing suitable legal and institutional arrangements.

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## **KEYNOTE SESSION ON TECHNOLOGY AS A TOOL TO PROMOTE THE FINANCIAL INCLUSION OF OLDER PEOPLE**

Panel discussion was followed by Key Note Session-1 on “Digital Finance and Inclusion in an Aging World—Experiences from Asia” by **Dr Joanne Yoong**, Senior Economist and also currently the Director, Research and Science, Centre for Economic and Social Research CESR/CESR East, University of South California, The United States.

Dr Yoong outlined the findings of research undertaken on behalf of the OECD to understand how older people/the elderly are using digital financial services and also to examine the potential technology holds for promoting financial inclusion of the elderly.

Dr Yoong started off her presentation by sharing how the world is changing in terms of the rate at which both men and women are aging. It may be noted that the rate at which people are growing older coupled with declining fertility rates is really alarming. Asia is particular graying while Japan is aging faster than even before. People above 65 years would comprise 33.8 percent of the population in Japan by 2040. Other countries in the list of growing older population in the region are Hong Kong, Singapore, and China. She added that the tsunami has already hit the high-income countries. Like most East Asian urbanised societies, Singapore’s Total Fertility Rate (TFR) has been declining. Singaporeans are living longer with their life expectancy currently estimated to be one of the highest in the world. Given the current birth rates and without considering immigration, their citizen population is projected to shrink by around 2025. She pointed out to the grim situation in the future wherein the citizen population will age, and, that too, very rapidly. By 2030, the number of elderly citizens will get tripled to about 9,00,000 though they will be supported by a smaller base of working-age citizens. She added that the median age of their citizen population would rise from 39 years in 2011 to 47 years in 2030.

She mentioned that the aging problem would slowly spread to low income countries as well and there would be slew of disability, diabetes, heart diseases, and stroke-related issues impacting their overall mental well-being. She noted that number of people with dementia in low and middle income countries will be higher than that in high income countries.

She opined that while financial inclusion was an important tool, it would be incomplete just because of having higher account penetration across all the age groups.

She cited that the fact that almost everyone in Singapore has a bank account itself would not automatically and necessarily ensure financial inclusion. She elaborated that digital finance offered new tools in terms of lower back office costs through automation, customer sourcing through social networks, digital distribution and fee collection on mobile phones, servicing with bots and messenger services, and fraud prevention and credit assessment using biometrics, and big data. She however cautioned that the number of applications received was just the tip of the ice berg. A deep and systematic support in terms of regulatory infrastructure, technology infrastructure, financial system infrastructure and digital financial literacy is very much needed along with key aspect of situational awareness.

While sharing the ten myths about aging, she also mentioned that older adults are a special case. She highlighted that the median age of world's population of 9.7 billion would be 36.1 years by 2050, and that of 11.2 billion would be 41.6 years by 2100. She busted the myth that older adults make poor choices and are also vulnerable. Crystallised intelligence increases with age also with concomitant skill sets though fluid intelligence would be on the decline. She clarified that the balance in system one (fast, reflexive) and system two (slow, rational) would experience shifts. Hence, it is a shifting balance than a declining balance. Self-reported well-being and priorities also increase with age and older people are happier and contented despite having less.

She shared that for 60 plus elderly, the mobile penetration is increasing. Older people are adopters but use devices differently and for different purposes. She pointed out that less usage could in fact be more and use of smart phones was not always a plus. She highlighted that usability standards hold the key. She shared about a popular campaign that chooses to use Hokkien instead of Chinese language to relate to elderly populations in Singapore. These appeals act as emotional triggers as well.

She urges that while adoption is enough, autopilot is not always enough. It is an application developed in Singapore and terrifying for older adults for many reasons though it could be a savior for young people. On the theme "digital that mends all divides", she opined that having an app will not heal the underlying problems. App is just a tool but would not be the equalizer in the short term.

She suggested that 'one size fits all policy' may not work in every situation by citing example of Singapore Fintech. However, new players are always new payers in the market. She believed that Nepal ought to look at financial inclusion from a very different perspective.

Towards the end of her presentation, she shared that expanding financial inclusion is a means to sustain financial well-being in old age. However, this is only exacerbated by the current socio-demographic trends. She added that high income and overall financial development is not enough to ensure security for the elderly. It has to be noted that technology always presented both risks and opportunities for expanding financial inclusion for aging Asia. She closed her talk with a positive note of the next steps to be taken for the report: Progress with literature review, analysis of Global Findex micro data, and further key expert interviews, and case study identification.

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## KEYNOTE ON JAPAN'S G20 PRESIDENCY FUKUOKA PRIORITIES

The Second Key Note session was by **Mr Bumpei Sugano**, G20 Office/ International Affairs Office, Japan Financial Services Agency and he is also the Co-Chair of the G20 Global Partnership for Financial Inclusion, Japan. Mr Sugano made a presentation about G20 Fukuoka Policy Priorities and Japan's Actions on Aging. In 2019, the Japanese Presidency of the G20 selected Aging Populations as its policy priority for financial inclusion. Working through the Global Partnership for Financial Inclusion, and supported by the OECD, the Japanese Presidency has developed the G20 Fukuoka Policy Priorities to support the financial inclusion of ageing populations. In this backdrop, Mr Sugano presented the process involved and explained the identified priorities.

He started off his presentation by sharing how aging had become an emerging global phenomenon and issue in the current era. He pointed that the G20 accounted for more than 70 percent of the elderly population today while there would be more than two billion elderly people globally in 2050 according to projections. He added that aging in developing countries is happening much faster than in developed countries and that 80 percent of the elderly would live in low- and middle-income countries by 2050. He stated some more facts like:

- By 2050, 20 percent or more of the population would be 60+ in as many as 111 countries.
- While the pace of global population aging is accelerating, growth is the fastest in Africa, followed by Latin America and the Caribbean, and Asia in 2017-2050 (UN 2017).
- “The rapid change is particularly challenging for developing economies as they may not have adequate services and/or systems in place to efficiently adapt to and cope with the growing number of seniors over a relatively short period.” (IOSCO 2018 “Senior Investor Vulnerability”)

He elaborated as to how aging had become a common issue for individuals today. He pointed out that even if we assume that people are financially well off today, we all could face challenges later in life from cognitive or physical decline. Financial matters may be one of the first sources of difficulty for individuals.

He clarified that the needs of the elderly vary depending on cognitive/physical ability, family and community ties, places where they live, gender, etc. He also pointed

to the alarming situation that the number of people with dementia would triple by 2050 globally. Mr Sugano mentioned about the importance of aging agenda in G20 being “Aging and its Policy Implications” as a G20 priority. He also discussed the eight Key Steps of G20 Fukuoka Policy Priorities, which included:

1. Using Data and Evidences
2. Strengthen Financial and Digital Literacy
3. Support Lifetime Financial Planning
4. Customise- Address the Diverse Need of Older People
5. Innovate- Harness Inclusive Technologies
6. Protect- Financial Abuse and Fraud of Older People
7. Encourage Stakeholder Engagement- A Multi Sectoral Approach
8. Target Key Audience- Address Vulnerabilities

He pointed out that among Asia-Pacific region, Japan is the frontrunner among aging societies and Japan Financial Services Agency (JFSA) is working to help the financial sector respond and maximise the opportunities. JFSA has used various financial and non-financial data to better understand aging issues for the elderly as well as other generations. JFSA is working with schools and workplaces where knowledge of financial literacy can be taught and improved. JFSA works closely with financial service providers and police with about 90 percent of flagged accounts getting compulsory canceled or suspended. “Dollar-Cost Averaging NISA” scheme was introduced that included 20 years’ tax incentive to encourage long-term investment by which more than one million accounts were opened during the first year with 70 percent of the account holders being in the age group between 20 and 50. Towards the end of his keynote address, he shared that the Government of Japan also introduced “Fiduciary Duties Principles” and “Financial Gerontology” to address the diverse needs of elderly people. In addition, financial abuse and fraud of elderly people is also taken care of with the introduction of “Criminal Account Damage Recovery Act”.

These were useful to optimise the matching of various needs of the elderly people and available products/services. Moreover, digital technology to visualise lifetime financial planning was used for the said purpose.

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## SESSION TWO

### SUPPORTING FINANCIAL INCLUSION FOR OLDER PEOPLE

Two Keynote Speakers along with a SEBON Board Member were involved in a Panel Discussion on the policy tools to support and promote the financial inclusion of ageing populations. This discussion covered countries with ageing populations as well as those with populations that are currently young, but facing the benefits and challenges of increased longevity. The Chair of the Session was Mr Miles Larbey, Head of Financial Consumer Protection, OECD and the other three panelists were:

- Mr Krishna Prasad Acharya, CA, Board Member, SEBON and Former CEO of Employees Provident Fund, Nepal
- Mr Bumpei Sugano, G20 Office/ International Affairs Office, Japan Financial Services Agency and Co-Chair of the G20 Global Partnership for Financial Inclusion, Japan
- Dr Joanne Yoong, Senior Economist, Director, Research and Science, Centre for Economic and Social Research CESR/CESR East, University of South California, The United States

The first panelist of the session was **Mr Krishna Prasad Acharya**, CA, Board Member, SEBON and Former CEO of Employees Provident Fund, Nepal. Mr Acharya shared about ‘Supporting Financial Inclusion for Older People’. His presentation included topics such as analysis of Demographic trend of Nepal, Financial Inclusion and its measures in Nepal, Financial Inclusion Measures for Older Population, and Supporting Financial Inclusion for Older Population.

#### Session Two

Chair of the Session:  
Mr Miles Larbey, Head of Financial Consumer Protection, OECD

#### Panelists:

1. Mr Krishna Prasad Acharya, CA, Board Member, SEBON and Former CEO of Employee Provident Fund, Nepal
2. Mr Bumpei Sugano, G20 Office/ International Affairs Office, Japan Financial Services Agency and Co-Chair of the G20 Global Partnership for Financial Inclusion, Japan
3. Dr Joanne Yoong, Senior Economist; Director, Research and Science, Centre for Economic and Social Research CESR/CESR East, University of South California, The United States

He presented an analysis of demographic change of Nepal where he stated facts supported by data. He shared the following vital information:

- Mortality, fertility, and population growth rates witnessed a significant decline within a span of few decades.
- There are already rapid improvements in life expectancy.
- Nepal would transition into an “ageing society” in the year 2028 and into an “aged society” by 2054.
- The ratio of working-age people to old-age dependents would decline even faster.
- The demographic change urgently calls for productivity improvement of working population necessitating the much required support for financial inclusion to older population.

The Key Dimensions of Financial Inclusion that he elaborated are:

1. Financial Product that included payments, savings, credits, and insurance;
2. Features which included affordability, availability, convenience, quality, and consumers’ protection;
3. Channel which included the access point, financial infrastructure, and institutions.

He then discussed about some financial inclusion measures in Nepal carried out by Central Bank. Some of these included:

- Encouraging BFIs opening branches in rural areas through providing interest free loan.
- Special Refinance facility to cottage and small industries,
- Productive Sector Lending (20 percent),
- Priority sector and Deprived Sector Lending,
- Targeted micro credit and financial literacy programmes,
- Branchless and mobile banking in rural areas,
- Oversight of saving and credit cooperatives.

Other measures by bodies such as SEBON are as follows:

- Priority to local community in equity participation of hydropower projects
- Branch expansion policy of stockbrokers, merchant bankers' services
- Introducing one Nepali One Demat Account policy

Similarly, other Regulators inter alia include the following:

- Deposit Insurance
- Mandatory crop and livestock insurance schemes

- Health Insurance
- Old Age Allowances
- Social Security Schemes

Later, he deliberated on the financial inclusion issues for old population. Some of these are:

- Changing Role of older population due to changing in family structure,
- Domestic migration for quality education of children and quality life of younger people,
- Remittances from foreign employment,
- Unauthorised use of their bank cards,
- Financial literacy rate is poor (around 15 percent),
- Financial service providers are concentrated in urban or semi- urban areas,
- Inadequate earning,
- Increase in medical cost.

Towards the end of his presentation, he discussed about supportive measures for financial protection for ageing population such as:

- Improvement of old age allowance,
- Supporting for health insurance for older population,
- Compulsory deposit insurance for saving deposits,
- Introduction of contributory social security benefits.

Apart from the above, creating investment avenues for older populations included several features and measures. Some of them are:

- significant improvement of mutual funds,
- promoting different type of security in the market,
- branch expansion policy for securities brokers and merchant bankers,
- encouraging separate trading floor for older population,
- increasing the service delivery network of BFs and MFIs,
- conducting digital and financial literacy programmes,
- payment of old age allowance and other social security benefit through branch network of BFs, and
- Continuing of traditional financial services of BFs.

In answer to queries from the audience, Dr Joanne Yoong replied that as people



grew older, they are not able to comprehend and may not be able to make the best financial decisions. She added that it was not about teaching them to use technologies alone but helping them realise the need to be aware about financial literacy

Mr Acharya opined that financial inclusion is not for charity. Institutions have to create certain funds. In the current state, branchless banking is introduced and technology based banking could be a solution to making people financially literate. He added that financial literacy is not just for older people but for disabled people as well. He reiterated that financial literacy is not enough financial education is required.

Session two was followed by question and answer discussion. To the query on old age dependency and financial inclusion, Dr Yoong remarked that it was not about teaching technology to the old people but making them able to use technology to avail services. In response to another query on the need for balancing the commercial imperatives of providing financial literacy to the older population, Mr Acharya replied that financial inclusion was not meant for charity and they are required to create funds. He added that branchless banking was introduced and that technology based banking could be a solution to this issue. He highlighted that financial literacy not only focused on older people but also included disabled people. He reiterated that financial literacy was not enough and that financial education was required.

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## SESSION THREE

### REDUCING FINANCIAL VULNERABILITIES FROM CHILDHOOD

Financial inclusion, financial consumer protection, and financial education work in tandem to reduce financial vulnerabilities. This can be achieved most effectively by ensuring that children and young people develop positive financial attitudes and behaviours and have a thorough understanding of basic financial matters from a young age. This session looked at practical examples of providing financial education to children and young people. Issues were taken up and deliberated as to what more can be done to ensure that today's youth are financially resilient in adulthood. For this Session-3,

- Dr Adele Atkinson, Head of Financial Education, OECD, was the moderator of the session. The three panelists of the session were:
- Dr Gunakar Bhatta, Executive Director of Nepal Rasta Bank, Nepal, and also the Board Member of SEBON
- Mr Hariharan Neelakanta Iyer, Chief General Manager, Office of Investor Assistance and Education, Securities and Exchange Board of India
- Dr Lillian Koh Noi Keng, CEO, Fintech Academy, Singapore

The first panellist of Session 3 was Dr Gunakar Bhatta, Executive Director of Nepal Rastra Bank, Central Bank of Nepal. His presentation mainly focused on the background of financial vulnerability, provisions available

in Nepal to mitigate such vulnerabilities, and course of action taken by Government and Central Bank of Nepal. Dr Bhatta elucidated that financial vulnerability is a state of financial instability or a situation to the exposure of financial risk and shock. It usually emerged in the absence of financial access, financial inclusion, and financial literacy.

**Session Three**

**Moderator:**  
Dr Adele Atkinson, Head of Financial Education, OECD

**Panelist:**

1. Dr Gunakar Bhatta, Executive Director of Nepal Rasta Bank, Nepal, Board Member of SEBON
2. Mr Hariharan Neelakantalyer, Chief General Manager, Office of Investor Assistance and Education, Securities and Exchange Board of India, India
3. Dr Lillian Koh Noi Keng, CEO, Fintech Academy, Singapore

He added that it could also be caused by inadequate income, imbalance of income and expenditure, income inequality, and low resilient capacity. He elaborated that long term stability, social safety net, financial education, and planning reduced financial vulnerability.

He also explained about the measures taken by the State to improve financial vulnerability and the future action planned for achieving the same. He explained how all the banking provisions of Nepal Rastra Bank were directed to improve financial inclusion. For instance, all commercial banks have been mandated to have branches in all the 753 local bodies across the country. He shared that as of mid-April 2019, an additional five branches got opened in a day which meant that additional 27.4 percent branches to the existing branches were opened in 10 months of current fiscal year. Also, data showed that commercial banks opened branches in 457 local levels in the last 22 months alone.

Sharing details on demographics, Dr Bhatta added that the share of population under 15 was decreasing over the years having its own implications on future labor force. He further explained that in order to offset the impact of such decrease, there is a greater need to focus on quality of life which has close linkages to financial sector as well.

Dr Bhatta elaborated various provisions taken by Government and Nepal Rastra Bank (NRB) regarding financial inclusion. Some of the government initiatives included:

- All citizens to have access to social security covering their lifecycle
- A campaign for all Nepali to have bank account
- Health insurance for family
- Rights of licensing cooperatives given to Local Bodies for around 35,000 cooperatives.

Some of the NRB's efforts made on Financial Inclusion were:

- Deprived and priority sector lending,
- Subsidised loans to women and their entrepreneurship,
- Expansion of branches,
- Refinancing facility for inclusive development,
- Micro credit programmes mainly for unbanked people,

- Priority towards technology-based innovative financial products like mobile and branchless banking.
- NRB is an active member in the Alliance for Financial Inclusion (AFI),
- NRB committed to the Maya Declaration 2013,
- Campaign of opening bank accounts of all Nepali,
- BFI have offered several types of deposit products like balbachat, ketaketibachat, mahilabachat, grihanibachat,
- Campaign of opening commercial bank branches in all 753 Local Bodies,
- Social security allowances distribution through bank accounts only,
- Access to insurance has increased by 18 percent.

Additionally, financial literacy programme is being carried through the audio-visual and print media such as NRB with the Student and 'Paisa ko boat' (Money Tree). Additionally, BFI must run some kind of financial literacy programme. Also, BFI should encourage advertisements and notices targeted to increase financial literacy. NRB ex-employee union also worked for financial literacy in addition to the many campaigns by different organisations for promoting financial literacy. Towards the end of the presentation, Dr Bhatta shared about financial consumer protection.

For Financial Consumer Protection, there is the provision of 'Information and grievance handling Desk' at each Bank and Financial institutions. Additionally, there is a special provision of dedicated hotline and online compliant filing. Bank and financial institutions need to keep transaction of consumers confidential. Alongside, information about financial services and products and their terms and conditions are expected to be disseminated in simple and clear way. He added there is right to obtain information about their transactions free of cost. Customers are to be notified whenever any changes in the terms and conditions occurred. Deposit insurance (up to Rs. 300,000) and guidelines on service charges and no pre-payment charge on loans repayment (up to Rs. 5 million) were some other policy directives introduced for financial consumer protection. Concluding his presentation, Dr Bhatta shared some of future action plans that need to be done to improve the present status of the country regarding all the pillars of financial stability, financial education, financial inclusion and financial consumer protection.

The second panelist was **Mr Hariharan Nilkantha Iyer**, Chief General Manager, Office of Investor Assistance and Education, Securities and Exchange Board of India, India. Mr Iyer presented about 'Financial Education for Children—the Indian experience'. Mr Iyer started off his presentation by citing some data related to demographics of India. An emerging economy with a population of 121.1 crores, the population in age bracket 0—14 is 372 million while the population in the age group 0—20 is 521 million with male members constituting 52 percent and females constituting 48 percent. He presented some important statistical figures such as the following:

- Child workers constitute 10.1 million (3.9 percent of total child population).
- Literacy Rate among children between 5-14 years is 75.7 percent
- Incidence of children engaging as a part of the workforce has decreased in India by 2.6 million (1 percent of total child population) between 2001 and 2011.
- Average annual drop-out rate from (FY2012-13 to FY2014-15) has decreased in primary schools while mild increase in upper primary/ secondary schools.

He considered that the greatest achievement for Securities and Exchange Board of India (SEBI) has been the introduction of 'Resource Person' programme. Since its inception, SEBI has been able to empanel resource persons and conduct 36, 353 programme for school children and young investors till March 31<sup>st</sup> 2018. SEBI has also conducted financial education awareness programmes for different target groups viz., home makers, self-help groups, executives, middle income groups, and retired personnel. Apart from this, college students, under graduate/graduate/post graduate students visit SEBI offices. Also, SEBI officers visit different educational institutions for conducting financial awareness seminars.

Sessions are conducted on financial literacy, the working of capital market, caution against ponzi schemes, etc. SEBI also conducted 'Visit to SEBI' programme under which a total of 2,693 visits to SEBI programmes have been conducted covering over 110,000 participants till May 31, 2019. Mr Iyer also shared about "National Strategy on Financial Education" with vision to make "A financially aware and Empowered India". This was developed under the aegis of the Sub Committee of the Financial Stability and Development Council (FSDC) and to be administered by National Centre of Financial Education (NCFE). This is running as a joint venture of financial market regulators like SEBI, RBI, IRDA, and PFRDA with the aim to create awareness and educating consumers

on (i) access to financial services, (ii) availability of various types of products and their features; (iii) changing attitudes to translate knowledge into responsible financial behaviour; (iv) making financial services consumers understand their rights and obligations; and (v) including financial education in school curriculum.

Mr Iyer also shared about National Centre of Financial Education (NCFE) which was set up in 2018 as a separate, not for profit entity to implement the objectives of National Strategy of Financial Education (NSFE). This national level strategy was promoted by the joint venture of financial market regulators like SEBI, RBI, IRDA, and PFRDA with the theme to create awareness and educating consumers on access to financial services, availability of various types of products and their features. NCFE in particular has put forward four different programmes to enhance financial education in the country namely:

- FE in school curriculum,
- National Financial Literacy Assessment Test (NFLAT),
- Money Smart School Programme (MSSP), and
- Financial Education Training Programme (FETP).

National Financial Literacy Assessment Test (NFLAT) is a free annual financial literacy test for school students of Class VI to XII. Since its initial launch, as many as 8.87 lakh students from 5000 schools across the country have participated in NFLAT. It aims to provide basic financial skills that are necessary to make informed and effective financial decisions throughout each stage of their lives.

Money Smart School Programme (MSSP): It is a programme which teaches students of Class VII to X topics from financial education workbooks. Out of the 400 schools registered for programme, 266 schools implemented this programme. It also has developed videos based on the workbooks and made available the necessary training for teachers working in schools. Financial Education Training Programme (FETP): It is the programme to train the school teachers in the area of financial education. FETP was launched in the year 2015-16, and NCFE has conducted 56 programmes and trained 3559 teachers since then.

Towards the end of his presentation, Mr Iyer discussed the challenges and way forward. He explained that financial literacy programmes are designed to cover a wide population spread over varied regions, especially rural areas. Hence, teachers of the financial education programmes need to be well versed with the concepts. He

mentioned that the cultural and language differences in population of different areas as one of challenges.

He shared that there is greater need to cover those who are not in formal education system or those dropping out of the educational institutions. He further added that identifying and bringing the scattered target groups is very difficult. As a way forward, he suggested that increasing efforts for inclusion of financial education in school curriculum, providing more training for teachers, and increased use of digital methods for spreading financial education among children (e.g., NFLAT), mobile phones, etc. (e.g., GIF files) could be some of the potential ways to promote financial education among young people.

The third panelist was **Dr Lillian Koh Noi Keng**, CEO, Fintech Academy, Singapore. Dr Keng also is the Director for Center for Research and Innovation NTUitive, a spin-off of the Nanyang Technological University (NTU). She is also the Advisor, NTU-Investment Interactive Club and also the Advisor, Singapore Digital Chamber of Commerce. She has around 17 years of experience in Ministry of Education, Singapore and another 17 years in Nanyang Technological University (NTU). She is the Chair for Center for Financial Literacy, National Institute of Education, Nanyang Technological University (NTU). Dr Keng made a presentation on 'Past, Present and the Future: Reducing financial vulnerabilities from childhood'.

Dr Keng's presentation mainly focused on how to make financial education interesting for children. She reiterated that there is a need to start financial education to the young kids while they are still in school. Her presentation dwelled on the key question as to how to make financial literacy relevant and interesting to the kids. She shared that in Singapore, Financial Literacy and Entrepreneurship programmes meant for students in schools and institutions of higher learning were started since 2009 with unique 'Learn through Play' technique that focused on making content and lessons interactive, fun, and engaging to help kids aged 6-17.

While discussing about financial inclusion and consumer empowerment in South East Asia, Dr Keng mentioned about the award winning "Cashvillekidz" app which helped students aged 9-12 years learn financial lessons by means of involving them in a series of 24 animated episodes which follow characters as they discuss financial education including savings, positive spending habits, and investment. The programme which was initially launched in Malaysia was later expanded to Cambodia in 2016. The programme was aimed at reaching 20,000 students at more than 100 schools. The

programme won the Efma-Accenture Innovation Award in 2013 and the Global CSR Award in 2014.

Dr Keng put forward her deep thoughts about financial education by stating that the emphasis has to be placed more on value and not just on money alone. She added that right decisions about money need knowledge and skills and right attitude towards money. She opined that value-based financial education is all about 'Saving-Managing and-Sharing' the money and should be taught to young people. She added that it was necessary to unpack the knowledge, skills, attitudes, and values.

Dr Keng also shared about 'Center for Financial Literacy' in Singapore whose vision is "To empower educators to equip students to be financially savvy so as to make informed decisions and exercise discipline in managing their personal finance". The Center is committed to its mission of spearheading high quality education programmes with research embedded for continual improvement so as to provide evidence-based practices. Center also aims to achieve the mission through experiential learning exercises.

Towards the end of her presentation, Dr Keng highlighted on the need for networked learning community in an effort to move forward. She proposed Fintech as the next frontier in Financial Education. Fintech has already started disrupting and transforming human lives. She added that the kids need to be prepared for the future and taught about mobile payment apps, contactless technology, and personal finance management apps, 'Peer to Peer' lending, crowdfunding, and foreign currency platforms. Kids also needed to acquire new skills such as technology know-how, problem-solving, innovation, data analysis, and project management.

Dr Adele Atkinson made an official announcement when she closed session about OECD that OECD was made in-charge of 'World Money Week' two weeks ago and urged that anyone keen to participate in the programme could contact OECD. She assured that OECD would certainly respond and update about work that OECD had been doing.

After the closure of Session 3, participants of the programme headed to Chandragiri for sightseeing.

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## KEY NOTE SESSION ON FINANCIAL CONSUMER PROTECTION AND EDUCATION

The Second Day of the conference began with a Keynote Address by Ms. Surekha Marandi, Executive Director, Reserve Bank of India. Ms. Marandi provided Indian perspective on the issues debated in the conference with respect to financial consumer protection and education by sharing the initiative of Reserve Bank of India. She started her presentation by sharing how consumer rights' protection and promotion had been pursued by great leaders resulting in concomitant changes in the national policies. She argued that Financial Consumer Protection has become an increasing priority for all policymakers primarily for two reasons:

1. It is a contributing factor to the healthy development of the financial sector, including financial inclusion and helps in achieving broader economic growth, and
2. Widespread uptake of digital financial services has heightened risks for consumers and raised new concerns.

Ms. Marandi stated that consumer protection has been in consideration since the ancient times (scriptures) whereby the long cherished values ethical behaviour and punitive action for adulteration were mentioned in the early books like the Arthsastra by Chanakya and hence the concept of consumer protection existed in India since the early days, i.e., in the eighteenth century world itself. The meaning of "consumer protection" evolved as protection from excessive prices levied on primary commodities in eighteenth century to "caveat emptor" meaning 'buyer beware' in the nineteenth century. While the concept is still being evolved, she mentioned that Consumer Protection Act was being amended at the present moment as well.

She continued that, over the years, Financial Consumer Protection has become an increasing priority for all policymakers as it has become a contributing factor to the healthy development of the financial sector. She added that there were various regulatory Acts in the country for the same purpose such as 'Banking Regulation Act 1949, whose prime concern focuses on "the interest of depositors", 'Deposit Insurance Act 1961', and 'Consumer Protection Act 1986'. She elucidated that Consumer Protection Act, 1986 covered financial as well and non-financial products and services.

Moreover, Banking Ombudsman Scheme, 1995 was there since the early days. Now there is 'Ombudsman Scheme for Digital Transactions' 2019 as well which is the result of regular amendments in the Ombudsman Scheme.

She clarified that two more schemes had been added for non-banks and prepaid payment instruments. She elaborated that there has been greater emphasis on strengthening grievance redressal mechanism in regulated entities. She shared

that there was proper infrastructure for handling any type of customer complaint, the base level of which is bank or its branch and the Apex Body being RBI Ombudsman. She also explained about other regulators such as sector-specific FCP Infrastructure regulators. They are Securities and Exchange Board of India (SEBI): Exchanges/Mutual Funds, Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority of India, and National Housing Bank. Ms. Marandi explained about Consumer Protection Initiatives taken by RBI which are:

- a) Standardisation of forms commonly used by Bank Customers,
- b) Ombudsman Scheme for Digital Transactions,
- c) Internal Ombudsman: strengthening internal grievance redressal structure of banks,
- d) Expansion of BO offices: 22 offices with specific jurisdiction covering entire country,
- e) Consumer Education and Protection Cells: 30 CEPC covering the entire country which is one of mechanism for handling entire spectrum of complaints, Ombudsman Scheme for Non-Banking Financial Companies in four zones covering the entire country,
- f) Ombudsman Scheme for Digital Transactions.

Thereafter, Ms. Marandi talked about some of the important and recent regulatory guidelines issued by RBI regarding Financial Consumer Protection. Some of them were:

- a) Compensation for delay in resolution of complaints of short/non-dispensation of cash by ATMs after 7 days (May 27, 2011),
- b) Compensation for delayed payment of pension @ 8 percent (April 13, 2012),
- c) Non-discrimination of customer at home and non-home branches (July 1, 2012),
- d) Levying SMS charges on actual usage basis (November 26, 2013),
- e) Abolition of foreclosure charges/pre-payment penalties on all floating rate home loans/all floating rate loans (June 5, 2012 and May 7, 2014),
- f) Charter of Customer Rights (Dec 3, 2014),
- g) Limiting Liability of Customer in Fraudulent Electronic Transactions (July 6, 2017) includes Zero liability of customer and Limited liability of customer- Limits the liability of customer to Nil if electronic fraud is reported within 3 days and customer is not at fault in general but there are other provisions as according to the time period taken by customer to report the transaction and parties involved in transactions,
- h) Banking Facility for Senior Citizen and Differently Abled Persons (Nov 9, 2017).

Ms. Marandi also explained the rights included in Charter to Customer Rights. Some of them are: right to privacy, right to transparency, fair and honest dealing, right

to suitability, and right to grievance redressal and compensation.

Given the accelerated growth of the number of elderly people in India and the projections about number of elderly to increase rapidly, various provisions and policies have been made by RBI in the interest of senior citizens. She explained that RBI had advised banks to put in place an explicit mechanism for meeting the needs of senior citizens so that they did not feel marginalised but would be in a position to avail themselves of banking services without difficulty. Some of the initiatives taken in this regard were:

- a) Dedicated counter providing priority services to senior citizens,
- b) Automatic conversion of account into a 'Senior Citizen Account' based on the date of birth available in bank's records,
- c) Provision of higher rate of interest than normal deposits as per their board approved policy for senior citizen,
- d) Provision of Income Tax exemption on interest on fixed deposit for which bank should provide documents within the stipulated time to claim for the same,
- e) Banking Ombudsmen were advised to pay heed to complaints of senior citizens.

She shared that 'Door Step Banking' facilities was initiated by RBI for senior citizens of more than 70 years of age and make concerted effort to provide following basic banking facilities at the premises/ residence of such customers. Some of which are:

- a) Pick up of cash and instruments against receipt,
- b) Delivery of cash against withdrawal from account,
- c) Delivery of demand drafts,
- d) Submission of Know Your Customer (KYC) documents, and
- e) Submission of Life certificate, etc. Besides these, she also mentioned about other instructions by RBI such as for pensioners and senior citizens, banks have been advised to levy charges on more liberal terms than the terms on which the charges are levied to other individuals. Also, banks have been mandated to include senior citizens in monthly branch level customer service committee meetings.

Ms. Marandi also gave brief information about the special tax exemptions launched by government of India for Senior Citizens. Some of them are:

- Higher level of non-taxable income—No tax limit for normal Citizens Rs. 250,000
- No tax limit for Senior Citizens Rs. 300,000
- Tax exemption on interest income is Rs. 50,000/ as compared to Rs. 10,000/ for others.
- Higher tax exemption for health insurance (Rs. 50,000) and or tax deduction

for expenses up to Rs.100000 for critical illness.

- Senior Citizens' Savings Scheme: Government-sponsored Investment Scheme for Senior Citizens - Tax deduction up to Rs 1.5 lakh.

Ms. Marandi on the later part of her presentation explained about the initiatives taken by RBI regarding Financial Education. One of the major initiatives by RBI was the SMS service using handle 'RBISAY'. She shared about Next initiative by RBI: RBI's Public Awareness Campaign under the title 'RBI Kehta Hai' is a 360-degree campaign launched by the Reserve Bank using all the mass media, such as, television, radio, newspapers, hoardings, web banners and SMS/IVRS.

She also briefly explained about the 'National Strategy for Financial Education' and also about its major stakeholder viz., 'National Center for Financial Education' and other Institutions like RBI, SEBI, IRDAI, PFRDA, and similar market Intermediaries.

Lastly, she discussed various 'Challenges and Regulatory Initiatives' taken by RBI, of which:

➤ **Challenges:**

- Vast geographical and demographic expanse of the country,
- Barriers for unorganised sector and pensioners,
- Ageing population – unique set of challenges. Digitally less savvy,
- Making available range of financial products: savings, credit, insurance, remittance and government payments.

➤ **Initiatives:**

- Relaxation in branch authorisation,
- Incentivising opening of branches in unbanked areas,
- Use of Technology – JAM Trinity,
- Banking Correspondents,
- Differentiated Banking – Small Finance Banks and Payment Banks.

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## SESSION FOUR

### UNDERSTANDING THE DIFFERENT NEEDS OF RURAL, REMOTE, AND URBAN POPULATIONS

The main theme of Session Four included the discussion on how the needs of financial consumers living in urban environments differed from those in rural and remote locations. The discussion included government policies to ensure that everyone is financially included, regardless of where they lived. Panelists deliberated on how to objectives set were achieved in practice and the most effective ways of reaching people and who needed to take responsibility of these goals set.

The moderator for the session was Dr Lillian Koh Noi Keng, CEO, Fintech Academy, Singapore. The panelists of session were: (i) Mr Suman Raj Aryal, Director General, Central Bureau of Statistics, Nepal, (ii) Ms. Leigh Coughlan, Senior Manager, Australian Securities and Investments Commission, Australia, and (iii) Mr Lyndwill Clarke, Head of Department, Consumer Education, Financial Sector Conduct Authority, South Africa.

#### Session Four

**Moderator:**

Dr Lillian Koh Noi Keng, CEO, Fintech Academy, Singapore

**Panelist:**

1. Mr Suman Raj Aryal, Director General, Central Bureau of Statistics, Nepal
2. Ms. Leigh Coughlan, Senior Manager, Australian Securities and Investments Commission, Australia,
3. Mr Lyndwill Clarke, Head of Department, Consumer Education, Financial Sector Conduct Authority, South Africa.

The first panelist, **Mr Suman Aryal**, Director General of Central Bureau of Statistics, started with some statistical data on distribution of establishment by (i) district and (ii) distribution of number of people engaged by presenting a map of Nepal. Mr Aryal presented recent data published by 'Central Bureau of Statistics' about the result of economic census which reflected the differences between urban and rural Nepal. Mr Aryal explained that the first maps provided various insights like the establishment for 'agriculture', 'transport', 'financial services industries', 'hydropower', and 'hotels'. He further added that the map clearly depicted the differences in location of service, which showed the establishment bias based on geographical location as majority of services were located in Kathmandu Valley, the capital city of the country and the Terai region. Mr Aryal pointed that the 'Person Engaged' map showed similar scenario/

condition. Majority of people were engaged in establishments which are located in the Kathmandu Valley and Terai region.

By comparison of the two maps from the Census Report, subjective analysis like labor absorption rate, labor force participation, employment-population ratio, output differences, inequalities, etc., could be drawn. His presentation also gave some insights of industry mix and some anomalies in urban fringe.

Further, he added that economic census registered almost 9924 establishments in the country out of which 50 percent were registered with 1.19 percent of them being financial services establishments. There are only 17000 financial service providing institutions set up as 'functional establishments' only whereas registered financial service providers are not enumerated and recorded yet. This data implies that for every functional establishment, there are less than 2 financial service institutions.

He shared insights on 'Urban-Rural Disparity'. Mr Aryal mentioned that 36 percent of old age population resided in the rural areas. He clarified that though the unemployment rate was not very much high, the gap was significant if unemployment was compared to population ratio. This disparity signaled about major activity mix/industry. Further, he explained that majority of rural population continued their job in their home only in the form of unstructured and micro business. He concluded that there was unlimited opportunity of activity mix/industry in rural areas where there was low level of retail marketing network and low level of financial services. Further he emphasized that lack of above two factors were the major gaps for several industry mix. He clarified that some of the urban areas were not urban areas in the true sense and hence gave rise only to an urban fringe. This led to some of issues of 'Human Cost' such as cost of living, lack of basic services including financial services, undernourishment, and remoteness. In some remote areas of Nepal, it took more time to get basic services that added to hardships of life. He argued that urban areas should be reclassified on the basis of a National Urban Standard. He believed that from the analysis of presented data, migration was the interdependence factor between urban and rural Nepal.

The second panelist, **Ms. Leigh Coughlan**, Senior Manager, Financial Capability, Australia, gave a brief presentation about Australian context of Financial Education and Financial Inclusion with respect to urban, regional, and remote populations. Ms. Leigh started her presentation with the picture showing the remoteness of Australia by population. She shared that some 70 percent of the population is concentrated in urban areas in Australia.

She also presented Australia as 'Very Remote Australia', 'Remote Australia', 'Inner Regional Australia', 'Outer Regional Australia', and 'Major cities of Australia'. Ms. Leigh also explained about 'Online Money Smart Teaching Programme' which ensured equal access to resources across Australia. Ms. Leigh also briefed about 'Mixed Financial Wellbeing Network' which were national events to build capacity and strengthen networks amongst the financial capability practitioners. Ms. Leigh shared how Australian people are in control of their financial lives. She pointed out that Australian people

- a) Managed money day to day,
- b) Made informed decisions and
- c) Planned for the future.

Among other severe factors that hindered financial inclusion, she opined that as in Nepal, geographic location inhibited financial inclusion in Australia too. Her presentation depicted the bar graph of increase in numbers of branches of Banks, numbers of ATM outlets and 'Face to Face' Big Super Days Out in Australia in the period of 10 years (2007-2017).

In the last part, Ms. Leigh explained important 'Policies and Initiatives' being taken by Australian authorities to improve and enhance status of financial literacy, financial inclusion and financial education of general public, some of which are:

A. Face-to-Face: Big Super Days Out

- It is the programme which aimed to reach remote lands in central Australia (APY Lands) with industry and government representatives to engage with community on superannuation are done.
- Assisted more than 500 people engage with \$3 million in superannuation

B. Online: Money Smart Teaching Programme

- It is one of the digital initiatives targeted at the youth who are excessively active digitally.
- It aims to provide equal access to resources across Australia.

C. Mixed: Financial Wellbeing Network

- It is the national events to build capacity and strengthen networks amongst the financial capability practitioners.

The third panelist, **Mr Lyndwill Clarke**, Head of Department, Consumer Education, Financial Sector Conduct Authority, South Africa, presented on the topic of 'Understanding and responding to the impact of demographic changes for financial

consumers'. Mr Clarke started off by giving brief presentation about South Africa. South Africa is the continent with 9 provinces and has 11 official languages. It has highest majority of black African of about 81 percent and rest of the population being white, colored and Indian/Asian as 8 percent, 9 percent and 2 percent respectively. The economic data like unemployment rate (2019) and the proportion of population living below the Lower Bound Poverty Line (2015) were quite high as 27 percent and 40 percent respectively. Mr Clarke also displayed the clear picture of trends of financial literacy in South Africa.

He also made a mention about the domain scores of financial literacy in his presentation and stated that financial control was 'increasing' whereas financial planning was 'decreasing'. On the other hand, product choice and product knowledge had been in 'stable state'. Thus, according to him, the overall financial literacy can be called as 'stable'. The graph of rural urban financial literacy showed that the urban formal had higher gradient over urban informal and rural resident based on many factors as race, education, employment status, age, and poverty status. Also, Mr Clarke emphasized that 'urban formal' are significant in all domain score of financial literacy than other like urban informal and rural residents.

Mr Clarke also pointed out the objectives of Financial Sector Conduct Authority (FSCA) which were: a) to enhance and support the efficiency and integrity of financial markets; and b) to protect financial customers by:

- promoting fair treatment of financial customers by financial institutions; and
- providing financial customers and potential financial customers with financial education programmes, and otherwise promoting financial literacy and the ability of financial customers and potential financial customers to make sound financial decisions; and
- assisting in maintaining financial stability.

He also mentioned the function of FSCA was to formulate and implement strategies and programmes for financial education for the general public.

In addition, he explained various FSCA programmes such as speech competition, mobile unit of FSCA, and other expanded public work programmes. Lastly, Mr Clarke ended by presenting various challenges South Africa was facing regarding implementing financial literacy in the country. Some of which are:

- a) Integrating financial education in school curriculum to ensure strong financial literacy content throughout the country. This was because primary and secondary schooling would take a significant amount of time to yield appreciable results in the adult population as a whole;



- b) Poverty is dynamic with individuals falling in and out of poverty based on contextual events;
- c) Unemployment creates vulnerable and disadvantaged individuals often have to make sub-optimal choices as a simple necessity, especially in the absence of a steady income or a significant economic shock.
- d) High levels of debt which creates difficulty in breaking the debt cycle
- e) Financial advice which included ensuring that the right, tailor-made advice and products are available to meet the specific situation and choices faced by individuals, families, and communities.

The question and answer session was initiated by question from moderator Dr Lillian Koh Noi Keng to the panelist, Mr Suman Raj Aryal. Dr Keng asked Mr Aryal about the challenges Nepal faced in terms of reaching out to the rural, urban people, and underserved. In his reply, Mr Aryal pointed out three issues which posed as challenge such as knowledge of consumer, intention of the service provider, and policy itself. He further added that these issues were addressed, it would help improve present scenario of rural, urban and underserved population. One of the panelists, Ms. Leigh shared that they faced similar challenges in engaging people of those areas in their context as well. Mr Clarke replied that policy and legislations, product engagement, reaching out to people, and lack of proper implementation plans were some of the challenges they faced in their country.

One of the participants asked Mr Clarke about the challenges they faced in one of the initiatives 'Expanded public growth programme'. Replying to this, he explained that the major challenge of the programme was that it was implemented for certain period of time. He added that among other challenges were difficulty in reaching out to people, and also it was cumbersome to constantly upgrade and facilitate the facilitator while launching the programme. He elaborated that as a regulator, they couldn't oversee project properly as it was launched all over the country. Another participant wanted to know from Ms. Leigh about Money Smart programme and her experience so far and how they were making school money smart. Ms. Leigh shared how they trained the educator and made them comfortable first, then worked towards building confidence of the teacher, and then finally trained them about the programme. She added that the money smart programme was being conducted in collaboration with state based government body.

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## SESSION FIVE

### IMPROVING FINANCIAL LITERACY AND ACCESS FOR MICRO AND SMALL ENTERPRISES

Session Five broadly discussed about the Micro and Small Enterprises (MSEs) challenges regarding the access to traditional sources of finance and lack of financial skills they needed to succeed. Hence, the session aimed to look at different approaches to improve access to finance and to develop financial skills, potential for alternative sources of finance and FinTech developments, together with effective financial programmes for microenterprise.

The panelists for the session were: (i) Dr Adele Atkinson, Head of Financial Education, OECD, (ii) Mr Keshav Acharya, Former Senior Economic Advisor, Ministry of Finance, Nepal, (iii) Mr Balaram Paudel, Programme Management Analyst, Strategic Planning and Development Effectiveness Unit, UNDP, (iv) Mr Janardan Dev Panta, Micro and Small Enterprise expert and CEO of Nirdhan Utthan Bittiya Sanstha (Pioneer of Micro Financial Institution), Nepal, and (v) Mr Sanjib Subba, Chief Executive Officer, National Banking Institute, Nepal. The session was moderated by Mr Deependra Bahadur Chhetri, Former Chairman of National Planning Commission, Nepal and Former Governor of NRB.

The first panelist for the Session Five was Dr Adele Atkinson, Head of Financial Education, OECD and he gave an overview of 'Financial Education for MSME's. Dr Atkinson initiated her presentation by giving background of OECD. She shared how OECD has been working on financial education and financial literacy since 2002. Moving

#### Session Five

##### Moderator:

Mr Deependra Bahadur Chhetri, Former Governor of NRB and Ex-Vice Chairman of National Planning Commission, Nepal.

##### Panelist:

1. Dr Adele Atkinson, Head of Financial Education, OECD
2. Mr Keshav Acharya, Former Senior Economic Advisor, Ministry of Finance, Nepal,
3. Mr Balaram Paudel, Program Management Analyst, Strategic Planning and Development Effectiveness Unit, UNDP
4. Mr Janardan Dev Panta, Micro and Small Enterprise expert and CEO of Nirdhan Utthan Bittiya Sanstha (Pioneer of Micro Financial Institution), Nepal
5. Mr Sanjib Subba, Chief Executive Officer, National Banking Institute, Nepal

on in 2008, OECD International Network on Financial Education (INFE) was created and now it has included public institutions from over 110 countries and work stream on financial education for micro, small, and medium sized enterprises (MSMEs) was started with primary focus on micro and small enterprises in 2015. Dr Atkinson further added that urgent attention was needed to educate MSMEs about financial education and make them financially literate in order to help them make better financial decisions. Dr Atkinson in the later part of her presentation discussed about various work OECD was carrying out in the field of MSME since 2015.

She also talked about some of the other works of OECD that were in progress since 2015. Some of these were: G20/OECD High-Level Principles on SME financing (2015): a) Principle 7 "Enhance SME financial skills and strategic vision", b) OECD working paper on "Financial Education for MSMEs and Potential Entrepreneurs" (2017), and c) OECD paper on Financial Education for MSMEs in Asia (2017).

Dr Atkinson, as the head of Financial Education Department of OECD, shared the experiences and learning she and the team had during and after the implementation of different projects conducted by OECD. Some of the major ones were:

- Understand the audience: Knowledge and Concept of 'Financial education' and programmes of 'Financial Literacy' may be universal to all the audience. She highlighted how important it was to know our audience before disseminating useful information about Financial education/Literacy. She further urged that one should differentiate financial education based on size of MSMEs, their stage in the business life cycle, their current level of financial literacy, etc.
- Enhance delivery mechanisms: Dr Atkinson pointed out some very important idea about delivery of financial education and access to finance such as:
  - a) Explore the potential use of technology (online platforms, apps, etc.),
  - b) Make financial education a part of a "one-stop-shop" for MSMEs support, Combine financial education with access to finance,
  - c) Consider making the provision of financial education a requisite for intermediaries to disburse public sector support, and for MSMEs to access it.
- Monitor progress: Dr Atkinson shared that monitoring progress was the most crucial step after implementation of any of the programmes. She added that it monitoring progress could be done through:

- a. Developing pilot programmes and testing them before scaling up, and
- b. Identifying KPIs and evaluating the impact of as many programmes as possible.

Dr Atkinson also presented the Core Competencies framework on financial literacy for MSMEs in 2018. Some of the important points covered in the framework were:

- a) High-level, outcome-based, internationally relevant
- b) Highlights a range of financial literacy outcomes that may be important to sustain or improve the financial literacy of owners and managers of MSMEs and of potential entrepreneurs in their experience of starting, running or growing a business and,
- c) Tool for adaptation by multiple stakeholders to local circumstances to develop training, assessment, and evaluation

Lastly Dr Atkinson closed her presentation by emphasizing 'Work in progress' to continuously measure financial literacy of MSMEs. She mentioned that targeting the owners/managers and self-employed entrepreneurs employing fewer than 50 people. She clarified that if the national definition of micro and small sized enterprises covered firms employing 50 employees or more, these firms could be included in the sample but it was required to identify the number of people working in the firm, for international comparability. Based on the national context, countries could also decide whether and to what extent they would like to cover informal (non-registered) businesses, e.g. via booster samples from the general population

She shared using similar methodology as OECD/ INFE survey in order to measure financial literacy of adults such as:

- a) Financial knowledge (interest, inflation, diversification, financial documents, taxation, etc.),
- b) Financially "savvy" behaviours (separating accounts, strategies to cope with risk, long term planning),
- c) Long-term oriented or prudent financial attitudes.

Dr Atkinson emphasised on accessing background information such as demographics, business characteristics, financial inclusion, self-assessed knowledge, business performance.

The second panelist of the session, **Mr Keshav Acharya**, Economic Policy Incubator (EPI) of Nepal started off by sharing about improving financial literacy and access for small and micro enterprises. His presentation also included the status of enterprises and its sources for financing. Mr Acharya laid down details regarding total number of different categories of enterprise that existed in Nepal. He shared that out of total number of 923,365 enterprises in Nepal, 50.1 percent were registered.

Out of which, street business comprised 3.7 percent, home business comprised 41.8 percent, female owner comprised 29.8 percent, and female manager comprised 29.6 percent. Further, he shared that of the total number of enterprises, 18 percent borrowed from financial institutions, whereas 17.5 percent borrowed from non-financial sources. Furthermore, of the enterprises that borrowed from financial institutions, 35.1 percent borrowed from banks, 8.0 percent borrowed from finance companies, and 7.8 percent borrowed from MFIs. Among the enterprises borrowing from non-financial institutions, 31.4 percent borrowed from cooperatives, 14.3 percent borrowed from personal sources, and 3.6 percent borrowed from “other” sources. Mr Acharya added that there were about 91 MFIs with altogether 3469 branches in the country. This was a significant number compared to total number of 175 BFIs with 8205 branches across the country. Population per branch of BFIs equaled to 3560.

In the later part of presentation, Mr Acharya highlighted about some of the constraints to financial access such as limited financial resources which acted as constraint for expansion and growth. Second, high interest on borrowings impacted on the sustainability of the operations and multiple financing which were detrimental to the industry.

Mr Acharya offered his suggestions for achieving financial inclusion which included measures such as a) expanding financial services to each municipality, b) expanding MFIs to each ward of municipality, c) Need for government to create substantial amount of revolving fund to meet the need of all deprived people (lower interest rate), f) eliminating discriminatory tax between MFIs (30 percent) vs. cooperatives (10-15 percent), g) evaluation of MFIs’ performance by social indicators (education and health of children, awareness), and h) revising the definition of “deprived sector” to include only the poorer sections of the community.

The third panelist of the session, **Mr Bala Ram Paudel, UNDP Nepal** presented on the topic of "Micro Enterprise Development and Access to Finance". He started off by explaining the journey of micro enterprises creation in Nepal starting from year 1998 to 2018. Mr Paudel pointed out major sectors in which MEs were engaged,

namely, Allo, Honey Bee, Elephant Grass, Herbal soap, Duna Tapari, Dhaka, Engineering, Procession Food and Agriculture etc. Out of total number of 142588 MEs created, 74 percent were run by women, 26 percent were run by dalits, and 38 percent were run by indigenous nationalities. He further added that the average income of MEs was Rs. 72,280. Mr Paudel shared that out of total MEs created, 36,001 MEs graduated and 231,746 number of employment were created.

Also, he shared that there were about 741 Common Facility Center and about 44 percent ME's moved out of poverty. Mr Paudel also talked about 'Micro Enterprise Development (MED) Model'. Further he also explained the financing structure/source of microenterprise. The various sources of financing were 'own saving', 'borrowing from informal sector', 'borrowing from formal sector', 'grants' etc. As per the MED Model, creation and development of micro-entrepreneurs included a) Social Mobilisation for Enterprise Development, b) Entrepreneurship Development c) Technical Skills Development, d) Access to Finance, e) Access to Appropriate Technology, and f) Marketing and Business Counselling.

Lastly, Mr Paudel pointed out some of the challenges MEs were facing in context of Nepal such as a) Scattered MEGs which meant less potential for MFI branch operational sustainability, b) Crowding in Urban Areas, c) Limited Access in Remote Areas, d) Comparatively higher rate of interest on loan, and e) More Focus on Tailor Made Approach. To address the aforementioned challenges, Mr Paudel also put forward some of the strategies which were: (a) Entrepreneurship Development to the Cooperatives and Financial Institutions, (b) Incentives for Access to finance for production based enterprises, (c) Promoting enterprise based cooperatives and financial institutions, and (d) Human Resource Development for connecting dots.

The fourth panelist of the session, **Mr Janardan Dev Pant, CEO**, Nirdhan Utthan Laghubitta Bittiya Sanstha Limited presented on the topic 'Access to Finance to Micro and Small Enterprises'. He shared about role of MFI's and the contribution of Nirdhan in making loan accessible to enterprises in general. He added that micro enterprises loan of Nirdhan and MFIs had grown by 46 percent and 83 percent respectively in the year 2018. Additionally, he shared that 75,541 MSEs financed by MFIs had created 226,623 jobs in the economy.

Further, Mr Pant explained the ongoing strategy about 'Capacity enhancement of existing clients by providing skill and entrepreneurship development trainings for MSEs. He added that Nirdhan aimed at providing basic financial, business literacy trainings and digital business solutions. Mr Pant also mentioned about Nirdhan's tailor-made client graduation strategy and how uplifted existing "A" grade clients into MSE

clients. He added that in the next 5 years, Nirdhan aimed to increase MSE portfolio to 33 percent (or maximum regulatory threshold) from current 13.12 percent.

Mr Pant specifically noted that MSEs supported by people-friendly policies could solve pressing social issues like unemployment, social imbalances, etc. He also put forward the opportunities and challenges while financing for MSEs. Some of the opportunities and challenges were:

**Opportunities:**

- There was huge unmet demand in financing of MSE. NPR 197 billion is the funding gap which is the difference between the estimated funding requirement and existing funding from MFI.
- Relatively stable and secured portfolio in comparison to group based loans
- Greater socio-economic impact through employment, income, management skills and self-esteem

**Challenges:**

- Lack of adequate financial resources (existing short term financial resources financing long term requirement of MSEs portfolio),
- Regulatory hassles (like registrations, unfriendly tax regime, etc., lack of incentives to promising rural entrepreneurs to register as MSE)
- MSEs capacity constrain (in documentation requirements, maintaining book of accounts, tax clearance certificate, collateral requirement, etc.)

He opined that there was policy dilemma from the side of government and existing infrastructures/mechanisms and dedicated support programmes like MEDPA, Women Entrepreneur Development Fund (WEDF) were not enough to support huge gap that existed. He concluded by sharing about some expected intervention to improve SMEs such as a) improving access to finance on MSE ecosystem (availability, price and terms-conditions), b) improving market infrastructure like credit guarantee, Secured Transaction Registry (STR) and c) Incentivising informal MSE to formalise (through simplified registration, tax incentives, etc.).

**Mr Sanjib Subba, CEO, National Banking Institute,** presented about National Financial Inclusion Strategy that included national financial literacy strategy, legal and regulatory framework, community engagement, curriculum, entrepreneurship development, monitoring and evaluation. He explained that 'National Financial Literacy Strategy' needs to be formulated under legal and regulatory framework. He shared some data related facts with respect to adult bank account in Nepal.

As per NRB statistics, the number of adult bank accounts had increased from 25.3 percent in 2011 to 45.0 percent in 2017. He also presented the 'Adult bank Account' data of Nepal in comparison with global (index), which showed that the percentage of Nepal's Adult Bank Account is not as par the global context.

Along with that, Mr Subba also put forward challenges associated with MSME and proposed some critical solution. According to Mr Subba, policy formulation needs to be the immediate step after need assessment/gap identification. Supports in the form of 'collateral free loan', 'value chain support', and 'Fintech-digitization' could be some of strategies to improve financial inclusion in the country.

In the later part, Mr Subba presented the status of SME/ MSME in the country. He specified that SME/MSME constituted 90 percent of the total industrial Gross Domestic Product, 80 percent of industrial employment, 70 percent of total national export, 25 percent GDP contribution was from SME. While this being the contribution from SME/ MSME, they were still facing challenges. He shared that 95 percent of the SME faced credit constraints, 70 percent did not use any formal credit, 15 percent of them disappeared in two years and 40 percent exited the market in 4-5 years.

He shared that in order to resolve the issues, National Banking Institute (NBI) had launched an application to enhance financial literacy digitally. He added that the app 'NBI Nepal' was available in android version as the target audience is middle- class population who are android users in Nepal. App has features such as loan and savings calculator, FAQs, videos of success stories, songs and power point slides.

Session five was followed with question and answer discussion. There were queries raised by the participants on lack of access to finance as a result of which people had to resort to multiple borrowing routes/ channels. Participants voiced out their concerns that banks needed to have positive attitude in providing loans to youths without the need for collaterals which would showcase risk taking attitude among banks as well.

Mr Keshav Acharya responded to the query mentioning that access to financial resources was not a constraint as data suggested that the biggest source of lending for MFI is borrowing from commercial banks. He highlighted that the major issue was about cost. In rural areas, people or borrowers do not like formalities and hence refrained from going to banks. In case of micro finance, it is not the case as women group together and MFIs help them by filling out documents. Microfinance in Dhading have started mobile banking



**Mr Deependra Bahadur Chhetri**, Former Vice Chairperson, National Planning Commission and Former Governor of Central Bank concluded the key discussions by sharing that that access to one village from other was difficult due to undiluted landscape of our country. He highlighted therefore if BFIs went for branchless banking, it would reduce cost tremendously. He shared that some of them have been able to reduce cost but not attractively. He added that since 1994, Nepal started linking self-help groups with banking and had some funding too. He clarified they get some banking tools, accounting practices it would be helpful to rural people.

With this, session five came to end and the panelists and moderator were presented 'Token of Love' as the symbol of gratitude by the officials of SEBON. The official session came to an end with closing remarks by Mr Shigeto Hiki, Head of Special Projects and Outreach Unit, OECD.

**Mr Niraj Giri**, Executive Director, SEBON presented his vote of thanks by thanking OECD for giving SEBON the opportunity to host the august gathering. He expressed that SEBON was encouraged to further host such international event of national importance in order to enhance Nepal's exposure to the international arena.

Mr Giri shared that financial literacy had become more challenging with the increased use of artificial intelligence and Fintech across the globe. He opined that the two-day conference had been true learning and experience sharing occasion for Nepal. Mr Giri also believed that this conference has provided Nepal the opportunity to understand contemporary issues, prevailing practices, suitability of tools being employed, adequacy of the approaches that were being followed besides providing insights into the objectives and strategies that were required to build resilient, stable and credible financial system. Mr Giri believed that this conference had been an excellent platform to build international, regional networks of regulators and financial educators.

Mr Giri thanked all the session chairs and panelists for their enriching presentations and sharing their knowledge for making conference meaningful. Further, Mr Giri took time to thank all the international and national participants for taking time out of their busy schedules to be part of the conference. Mr Giri promised to come up with the conference publications and share with all the participants and relevant stakeholders. He expressed his special thanks to Dr Adele Atkinson and Mr Miles Larbey for their guidance and help to SEBON team in planning and organizing the event.

Lastly, Mr Giri thanked Ms. Paloma Cupello and key members of programme organising committee of SEBON for their untiring efforts in making the programme a success.

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## **ROUNDTABLE ON FINANCIAL LITERACY AND FINANCIAL INCLUSION IN ASIA AND THE PACIFIC**

The OECD SEBON Conference was followed by **9<sup>th</sup> Roundtable on Financial Literacy and Financial Inclusion in Asia and the Pacific** that was made open to public authorities from the region. The Roundtable is specifically meant for public officials from financial authorities (Central Banks, Ministries of Finance, besides Financial Regulators and Supervisors) in Asia and Pacific region, and also for OECD/INFE representatives.

Dr Rewat Bahadur Karki, Chairman, SEBON, thanked all the panelists for very productive conference and welcomed to the 9<sup>th</sup> Roundtable discussion.

In his opening remarks, Dr Karki said that as the Roundtable exercise open only to public officials from financial authorities like the central banks, government ministries, regulators, supervisors and OECD/INFE representatives, this has been a unique platform for frank and open discussion to share country-specific experiences, challenges and possible policy and intervention approaches on present and future financial education endeavours. SEBON as the institution and Nepal as the country feel privileged to organise this meeting in Kathmandu. He once again thanked OECD/INFE for this opportunity.

The financial literacy in its comprehensive sense is no doubt gaining momentum over the years in the Asia -Pacific region. But in this august gathering, he proposed a specific approach to advance a dedication to South Asia region given its socio-cultural homogeneity, geographical proximity and comparable economic realities and level of financial deepening.

Our economies face three parallel challenges of increasing access of basic financial services to inner hinterlands, making financial products that addresses the need of marginalised population and saving the interests of the consumers from overtly profit oriented financial markets. In our subcontinent, perhaps it is not fundamentally different across the world, the regulators of the financial system face an unique trade-off of managing resources to set up efficient institutional and legal frameworks to facilitate all these financial education and consumer protection activities and, at the same time, maintain their operational independence.

The public institutions are expected to provide the financial services to mainly in poorer and remote areas where private sector is reluctant to go due to low margins of profits and the same institutions are responsible to regulate, mainly the private sector market participants that more often than not are likely to indulge in unethical practices with product diversification, over-banking and urban concentration.

In our economies, the significance of SMEs can hardly be overestimated. Apart from mere opening of the bank accounts only spurring the development of SMEs to ensure their competitiveness and scalability can meaningfully extend the access to finance to the larger section of the populace.

In the era of FINTECH and internet, faster adoption of technology is certainly helpful for financial inclusion, including the extension of securities and derivatives markets. But, the digital divide aggravated by the widespread illiteracy in literal sense still remains a real bottleneck for the developing nations. Nepal's own experience of financial literacy is that, some component of it embedded in the school curricula is more effective than other several methods.

Research and development of financial education materials and platforms, and their sharing across the nations is another important area from which the public authorities can benefit from each other. Since we all have to come up with new laws and institutional mechanism to develop financial education in line with global best practices, an increased level of cooperation and experience sharing is a critical imperative.

He expressed that this 9th roundtable of public officials from financial authorities of the region and OECD/INFE representatives will prove a new milestone in this direction. On behalf of SEBON, committed to contribute in every way possible to take this process and endeavor forward.

After the opening remarks, Dr Karki opened the floor for roundtable discussion. The first presenter was **Mr Hariharan Iyer**, Securities and Exchange Board of India (SEBI), who spoke on the topic of 'Understanding and Responding to the Impact of Demographic Changes for Financial Consumers'. His presentations included factual data about the demographics of India. As per the statistics, India had the highest demographic dividend across Asia. In the later part of his presentation, he focused on presenting various 'Initiatives taken for Financial Inclusion' by Government of India which were:

1. **Mahatma Gandhi National Rural Employment Guarantee:** It is employment scheme which provided social security by guaranteeing minimum of 100 days paid work per year. He added that by fiscal year 2019-20, there would be total of 11.71 crores active workers and 3.01 crores households who have been benefitted.
2. **Prime Minister's Jan Dhan Yojana:** Launched in 2014, it was one of the biggest financial inclusion initiatives in the world. Under the initiative, savings bank accounts were opened for individuals and account holders were provided with Rupay debit cards. These accounts were also used for direct transfer of several government benefits to bank accounts. Since the launch in 2014, total 35.92 crores beneficiaries have been created till June 19, 2019.
3. **Atal Pension Yojana:** Launched in 2015, this was government backed guaranteed minimum pension scheme targeted at the unorganised sector. Individuals are guaranteed of minimum pension of Rs.1,000/-, Rs.2,000/-, Rs.3,000/-, Rs.4,000/- and Rs.5,000/- per month after they attain the age of 60 years (depending upon their contribution by subscribers).
4. **Ayushman Bharat Yojana:** Centrally sponsored National Health Protection Scheme launched in 2018. Beneficiaries were allowed to take cashless benefits from any public/ private empanelled hospitals across the country. Scheme will target 10.74 crore poor, deprived rural families and identified occupational category of urban workers' families as per the latest Socio-Economic Caste Census (SECC) of India.

Mr Iyer highlighted on the fact that how millennials are in urgent need of financial literacy as they are the chief wage earners in India with 47 percent share in the working age population and 70 percent of household income. The spending habit of millennials depicted that there is a shift from saving economy to consumption economy. Data showed that smartphone penetration in India is 12 percent and hence millennials needed to be financially educated digitally as they are digitally connected individuals.

**Ms. Atkinson** presented clearly about the major target audience to whom financial literacy is a must. According to her presentation: (a) Young people (b) Working age adults and (c) Senior citizen are the ones who should be taught prior about these concepts.

- a) **Young People:** As young people are the target of most marketing campaigns

and making financial decisions starts at young age, having knowledge of financial education is greatly beneficial to younger people.

- b) **Working Age Adults:** Financial distress makes workers less productive as it creates distraction, stress and health issues. Employers may end up being directly involved in credit arrears through mandated automatic debt collection (a potential conflict of interest for employers trying to support the wellbeing of their staff). Reducing vulnerability through financial education, can lead to improved (financial) wellbeing, and a healthier, more motivated workforce. In turn, such members of staff are likely to be more productive, loyal, and motivated to develop their own skills. Also, micro and small business owners also need to become financially literate as financial literacy is important at all stages of creating and growing their business.
- c) **Senior Citizens:** Older people are still repaying credit and may need support to get out of debt. They may not have saved enough to stop working. Hence financial education may help them to identify ways of reducing expenditure/ increasing savings to build a buffer for when they can no longer work.

**Ms. Leigh Coughlan**, Senior Manager, Financial Capability, talked about the scenario of demographic change in Australia. She pointed that Australian people were experiencing the twin problems of (i) population growth and (ii) change. She mentioned that 15 percent of the Australian population was aged 65+ (2016). The median age of Australians has increased from 23 in 1911 to 38 in 2016. Australians aged 65 and older will number 8.3million by 2053.

Ms. Leigh also presented the result of one survey that was conducted in Australia earlier. Survey pointed out that the best time to receive advice about money management and decision is when people were starting their first job, i.e., at young age. Similarly, 2<sup>nd</sup> highest poll was for 'throughout the life' option. The 2<sup>nd</sup> option indeed is meaningful as people should be educated about financial literacy throughout their life as options such as (i) only once or (ii) a package once in a while is not enough.

**Dr Joanne Yoong**, Senior Economist, deliberated upon 'Behavioural Economics and Insights for Financial Policy Making in an Aging World'. While Ms.Yoong advocated for change of human preferences over time, she wanted them to be necessarily consistent with time always. Also, humans are irrational about losses. She elaborated that human beings generally could not make proper analysis of Gain vs. Loss and had 'zero risk bias'. Similarly, she shared that behavioural economics advocated that human

beings are generally susceptible to be influenced by others. Moreover, they are greatly affected by peer decision whether rational or irrational. Human beings in general have 'overconfidence bias' as was shown with the help of a graph from the 'The Illusion Control'. Both the extremities viz., (i) above average and (ii) below average thinkers are equally vulnerable. It may be mentioned here that human beings are selective learners as well.

She added that human beings tend to believe what that already believed. She pointed that in behavioural economics, having more choices meant having no choices at all. Further there are three bounds of human nature namely, (i) bounded rationality, (ii) bounded self-control, and (iii) bounded self-interest. Moreover, behavioural economics advocated that young human beings have no connection with older self. If that were to be possible, people would make much better decision while they are young. She added that as and when the age bandwidth changed, it slowly moved from fluid intelligence to crystalline intelligence category.

Ms. Yoong, in the later part of her presentation, put forth her thoughts on various strategies that could be taken to improve behavior. Some of them are: (i) enabling defaults and pre-commitment to advance planning for finance and health care early in the life-cycle, (ii) promoting product design, (iii) incentives to support responsible choices for all consumers, designing choice environment, and (iv) Fintech and regulation for consumer protection adaptive to older adults. She added becoming aware of own biases and assumptions could also be one way.

Presentation was followed by a brief question and answer session where the regulatory authorities of participating nations shared their experiences, findings and challenges in promoting financial education in particular context of the developing world. Dr Rewat Bahadur Karki opined that the Indian experience in accelerating the financial inclusiveness could be emulative example and requested the Indian participants to share the strategies they applied in achieving such success. He also opined that 100 percent inclusiveness was not possible in a country like Nepal which is a tall ask. Nepal's adult literacy rate in some sections of the demography is better compared to her neighbours which Dr Karki saw as an opportunity to further both, financial education and consumer protection.

Roundtable discussion came to an end with by Dr Rewat Bahadur Karki thanking all the panelists for their contribution to the discussion and hoped that it succeeded in paving the way for new discussions and deliberation in the domain of financial inclusion, literacy and education.

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## Annex 1 : Draft Agenda

AGENDA | DAY 1

9h15-10h10

### Opening remarks

Welcome Remarks

**Chairman Dr Rewat Bahadur Karki**, Securities Board of Nepal (SEBON)

Inauguration by Chief Guest:

**Hon. Finance Minister Dr Yuba Raj Khatiwada**, Ministry of Finance, Nepal

**Mr Antonio Gomes**, Deputy Director of the Directorate for Financial and Enterprise Affairs, OECD (*videoaddress*)

**Deputy Governor Mr Chintamani Siwakoti**, Nepal Rastra Bank(NRB) (Central Bank of Nepal)

**Inaugural and keynote speech by Hon. Finance Minister Dr Khatiwada**

Vote of Thanks

**Mr Paristha Nath Poudyal**, Executive Director, SEBON

10h10-10h30

### Tea/coffee break

10h30-11h30

### Session 1: Financial education, inclusion and financial consumer protection in Nepal and across the region

Objectives

This panel will explore the challenges and opportunities for policy makers and other stakeholders seeking to promote financial education, financial consumer protection and financial inclusion in Nepal and other countries in the region.

Moderator

**Dr Rewat Bahadur Karki**, Chairman, SEBON, Nepal

Panellists

- **Mr Miles Larbey**, Head of Financial Consumer Protection, OECD
- **Ms. Nangsi Dema**, Head of the Financial Inclusion Secretariat, Monetary Authority of Bhutan
- **Prof. Dr Achyut Wagle**, Chair, Institute of Financial Education and Communication of Nepal

11h30-11h50

**Keynote on technology as a tool to promote the financial inclusion of older people**

- **Dr Joanne Yoong**, Senior Economist; Director, Research and Science, Centre for Economic and Social Research CESR/CESR East, University of Southern California, United States

Dr Yoong will outline the findings of research undertaken on behalf of the OECD to understand how older people are using digital financial services, and examine the potential technology holds for promoting financial inclusion of older people.

11h50-12h10

**Keynote on Japan's G20 Presidency Fukuoka Priorities**

- **Mr Bumpei Sugano**, G20 Office/International Affairs Office, Japan Financial Services Agency and Co-Chair of the G20 Global Partnership for Financial Inclusion

In 2019, the Japanese Presidency of the G20 selected Aging Populations as its policy priority for financial inclusion. Under the Japanese G20 Presidency, the GPFI and OECD jointly prepared the "G20 Fukuoka Policy Priorities on Aging and Financial inclusion". Mr Sugano will present and explain the priorities identified.

12h10-13h15

**Session 2: Supporting financial inclusion for older people**

The two keynote speakers, together with a SEBON Board Member, will engage in a panel discussion on the policy tools to support and promote the financial inclusion of ageing populations. This discussion will cover countries with aging populations, and those with populations that are currently young, but facing the benefits and challenges of increased longevity.

Objectives

Moderator **Mr Miles Larbey**, Head of Financial Consumer Protection, OECD

Speakers

- **Ms. Krishna Prasad Acharya**, CA, Board Member, SEBON and Former CEO of Employee Provident Fund, Nepal
- **Mr Bumpei Sugano**, G20 Office/International Affairs Office, Japan Financial Services Agency and Co-Chair of the G20 Global Partnership for Financial Inclusion, Japan
- **Dr Joanne Yoong**, Senior Economist; Director, Research and Science, Centre for Economic and Social Research CESR/CESR East, University of South California, United States



13h15-14h15

Lunch (Hosted by Nepal Stock Exchange Ltd.)

14h15-15h15

**Session 3: Reducing financial vulnerabilities from childhood**

Objectives

Financial inclusion, financial consumer protection and financial education work together to reduce financial vulnerabilities. This can be achieved most effectively by ensuring that children and young people develop positive financial attitudes and behaviours and have a thorough understanding of basic financial matters from a young age. This session will look at practical examples of providing financial education to children and young people, and discuss what more can be done to ensure that today's youth are financially resilient in adulthood.

Moderator

**Dr Adele Atkinson**, Head of Financial Education, OECD

Panellists

- **Dr Gunakar Bhatta**, Executive Director of Nepal Rasta Bank
- **Mr Hariharan Neelakanta Iyer**, Chief General Manager, Office of Investor Assistance and Education, Securities and Exchange Board of India
- **Dr Lillian Koh Noi Keng**, CEO, Fintech Academy, Singapore

16h00

Depart to Chandragiri Hill and sightseeing

19h00

Dinner programme at Chandragiri Hill (Hosted by Securities Board of Nepal)

AGENDA | DAY 2

09h00-09h30	<p><b>Keynote</b></p> <p><b>Mrs. S. Marandi, Executive Director, Reserve Bank of India</b></p> <p>The keynote address delivered by Ms. Marandi, Executive Director of the Reserve Bank of India will provide the Indian perspective on the issues debated in the Conference.</p>
9h30-10h45	<p><b>Session 4: Understanding the different needs of rural, remote and urban populations</b></p>
Objectives	<p>How do the needs of financial consumers living in urban environments differ from those in rural and remote locations? Governments see to ensure that everyone is financially included, regardless of where they live. How is this achieved in practice? What are the most effective ways of reaching people, and who should take responsibility?</p>
Moderator	<p><b>Dr Lillian Koh Noi Keng, CEO, Fintech Academy, Singapore</b></p>
Panellists	<ul style="list-style-type: none"> <li>• <b>Mr Suman Raj Aryal</b>, Director General, Central Bureau of Statistics, Nepal</li> <li>• <b>Ms Leigh Coughlan</b>, Senior Manager, Australian Securities and Investments Commission, Australia</li> <li>• <b>Mr Lyndwill Clarke</b>, Head of Department, Consumer Education, Financial Sector Conduct Authority, South Africa</li> </ul>
10h45-11h15	<p><b>Tea/coffee break</b></p>
11h15-12h30	<p><b>Session 5: Improving financial literacy and access for micro and small enterprises</b></p>
Objectives	<p>Micro and small enterprises (MSEs) often face challenges accessing traditional sources of finance, and many lack the financial skills they need to succeed. This session will look at approaches to improve access to finance and to develop financial skills. Issues covered will include the potential for alternative sources of finance and FinTech developments, together with effective financial literacy programs for micro-entrepreneurs.</p>
Moderator	<p><b>Mr Deependra Bahadur Chhetri</b>, Former Governor of NRB and Ex- Vice Chairman of National Planning Commission, Nepal</p>

Panellists

- **Dr Adele Atkinson**, Head of Financial Education, OECD
- **Mr Keshav Acharya**, Former Senior Economic Advisor, Ministry of Finance, Nepal
- **Mr Balram Paudel**, Program Management Analyst, Strategic Planning and Development Effectiveness Unit, UNDP
- **Mr Janardan Dev Panta**, Micro and Small Enterprise expert and CEO of Nirdhan Utthan Bittiya Santha (Pioneer Micro Financial Institution), Nepal
- **Mr Sanjib Subba**, Chief Executive Officer, National Banking Institute, Nepal

12h30-13h00

**Closing remarks**

**Shigeto Hiki**, Head of Special Projects and Outreach Unit, OECD

Vote of Thanks: **Mr Niraj Giri**, Executive Director, SEBON

13h00-14h00

**Lunch (hosted by CDS and Clearing Ltd.)**

14h30-17h30

The OECD SEBON Conference will be followed by the **9<sup>th</sup> Roundtable on Financial Literacy and Financial Inclusion in Asia and the Pacific**, open to public authorities from the region.

The Roundtable is open only to public officials from financial authorities (central banks, ministries of finance, financial regulators and supervisors) in Asia and Pacific region and OECD/INFE representatives.

## ANNEX-2

### SPEAKER PROFILES

#### Mr Keshav P. Acharya



Mr Keshav P. Acharya is currently the Senior Programme Advisor to Economic Policy Incubator (EPI) and the Chairman of National Microfinance Bittiya Sanstha Limited. He is also associated with Nepal Economic Association, Transparency International Nepal, and Samriddha Pahad. Mr Acharya was associated with the Central bank of Nepal for over 30 years and retired as Executive Director of the Economic Research Department in May 2008. He has also worked

as Senior Advisor to Government of Nepal, Ministry of Finance first in 1994-95 and later in 2009-2011. He was also seconded as Senior Advisor to South-East Asia Voting Group of the Executive Board of International Monetary Fund (IMF), Washington, D.C. in 2006-2008. Mr Acharya did his Masters in Economics from Tribhuvan University and also from School of Economics of the University of the Philippines. Mr Acharya has also been contributing in academics and research by co/authoring several books and articles on various aspects of Nepalese economy.

#### Mr Krishna Prasad Acharya



Mr Krishna Prasad Acharya is the vice president of Institute of Chartered Accountants of Nepal and is a board member SEBON. He was also associated with Employee Provident Fund (EPF) as CEO. He started his career in the year 2004 as an Internal Auditor (9th level cadre) and has spent almost 13 years in different internal/management audit areas of EPF operations. In addition to his experience as a top level executive at the EPF, he has served as a General Manager/Chief Executive Officer

of Nepal Industrial Development Corporation (Financial Institution) Ltd. from 2008 to 2009 and Chief Executive Officer of United Insurance Company (Nepal) Ltd. from 2010 to 2011. He has also gained experience as a Chair-Man of NIDC Capital Market Ltd., Non-Executive Director of Nabil Bank Ltd., Himalayan Bank Ltd., Lumbini Bank Ltd., United Insurance Ltd., Alliance Insurance Ltd., Upper Tamakoshi Hydropower Ltd., Hydro Electricity Investment and Development Company Ltd. Mr Acharya also represented Employees' Provident Fund (EPF) in the Board of Nepal SBI Bank Limited by being one of the promoters of Nepal SBI bank Ltd. Mr Acharya holds Chartered Accountancy Degree from Institute of Chartered Accountants of India, Chennai and Master in Philosophy (Management) from Tribhuvan University.

## Mr Suman Raj Aryal



Mr Suman Aryal is currently the Director General of the Central Bureau of Statistics (CBS). From the beginning of his professional career, he worked under the CBS at different capacities. He has been involved in designing surveys and in supervising statistical research and analytics. Mr Aryal has initiated some of the milestone works like National Economic Census of Nepal 2018, quarterly national accounts, and other data governance issues. He has done several research works and one of his major accomplishments is the publication of "Development of Manufacturing Industries in Nepal". Given his extensive experience in the Statistics Office, Mr Aryal has expertise in devising statistics related policies and enjoys the field of data governance. He has also served as panellist in various national and international forums. Mr Aryal is also the founder member of Nepal Statistical Association. He has a Masters degree in statistics.

## Dr Adele Atkinson



Adele Atkinson is a senior policy analyst within the OECD Financial Education and Consumer Protection Unit and lead expert on the OECD International Network on Financial Education (INFE) project on Financial Education in the Commonwealth of Independent States. She has almost 20 years' experience of undertaking policy research relating to education, personal finance and social policy. Her work currently focuses on the implementation of financial education policy recommendations, assessing levels of financial literacy of youth and adults and the role of financial education in increasing financial inclusion and supporting migrants, small business owners and other vulnerable groups. Adele has a PhD from the School of Geographical Sciences at the University of Bristol, UK. Prior to joining the OECD in 2010 she was a research fellow at the Personal Finance Research Centre, University of Bristol.

## Dr Gunakar Bhatta



Dr Gunakar Bhatta is associated with Nepal Rastra Bank as the Executive Director. He is also the board member of SEBON. He is leading the Research Department of the Central Bank of Nepal. He has professional association with various organisations such as American Economic Association, Southern Economic Association and Management

Association of Nepal. Dr Bhatta has represented Nepal in various international forums and has also been contributing to academics and research through his various research works and articles on finance, economics and development. He has also served to the Revenue Advisory Board of the Ministry of Finance and contributed, on various occasions, to the preparation of Economic Survey, an annual publication of the Government of Nepal. A gold medalist in MBA from Tribhuvan University, Dr Bhatta also holds Ph.D. in Economics from Wayne State University, Michigan and a Master's degree in Economics from Williams College, USA.

### **Mr Deependra Bahadur Chhetri**



Mr Deependra Bahadur Chhetri, currently the member of the Advisory Board to the Auditor General of Nepal is also the former Governor of central bank of Nepal and ex-vice chairman of National Planning Commission. Apart from the position of Governor, he was associated with the central bank of Nepal for substantial amount of time in various capacities. He was also associated with National Trading Limited and Agricultural Development Bank in his

initial years of his professional career. He has represented Nepal in various international forums and has also been contributing in academics and research through his various articles related to economics, development and banking in various publications time to time. Mr Chhetri has a Masters degree in economics from Tribhuvan University and also has studied law from the same university. He has also completed his Masters degree in Agri-Economics from the University of New England, New South Wales Australia, 1986.

### **Mr Lyndwill Clarke**



Mr Lyndwill Clarke was born and raised in the Western Cape Province, South Africa. He matriculated at Athlone High School and obtained a Senior Teachers Diploma, Bachelor of Science, Bachelor of Education and Master of Education degrees from the University of the Western Cape, South Africa. After university, he taught Mathematics to Grade 12 learners on the Cape Flats for 10 years and then was appointed

as a curriculum adviser for the Western Cape Education Department for 7 years. In 2004 he moved to Gauteng Province, South Africa when promoted to the Ministry of Education to manage the implementation of the White Paper on e-Education. He joined the Financial Sector Conduct Authority (FSCA – formerly the Financial Services Board) of South Africa in 2006 as a Senior Project Manager responsible for incorporating

Financial Consumer Education into the Formal Education Sector. Lyndwill was appointed Head of Consumer Education at the FSCA in 2011. Lyndwill is a member of the Advisory Board of the OECD International Network on Financial Education (INFE) and Co-chairs the INFE Working Group on National Strategies. He is also the former Chairperson of the Consumer Financial Education Technical Committee of the Committee for Insurance, Securities and Non-banking Authorities (CISNA). CISNA facilitates the development and implementation of a harmonised, risk based regulatory framework for member states in Southern African Development Community.

### **Ms. Leigh Coughlin**



Ms. Leigh Coughlin has worked at the Australian Securities and Investments Commission (ASIC) for more than 10 years in Enforcement and then in consumer-facing teams assessing misconduct and systemic issues. Leigh has been Executive Officer to Deputy Chair Peter Kell, and most recently has been in ASIC's Financial Capability team, focussing ASIC's National Financial Capability Strategy. Leigh

manages the team supporting initiatives focused on Australia's First Nations people, in urban, regional and remote locations.

### **Ms. Nangsi Dema**

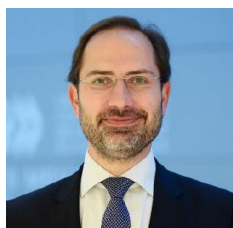


Ms. Nangsi Dema pursued her Master of Science degree in Public Policy and Program Management from the University of Bradford, UK. She has also completed her post-graduation in Financial Management and B.Com (Honors) Degree in Bhutan. Ms. Nangsi Dema currently spearheads the Financial Inclusion Secretariat, under the Honorable Governor's Office at the Royal Monetary Authority, the Central Bank of Bhutan. She is mostly involved in spearheading supportive regulatory

interventions related to financial inclusion such as formulation and implementation of the National Financial Inclusion Strategy (NFIS) 2018-2023, the National Financial Literacy Strategy (NFLS) 2018-2023, Consumer Protection for Financial Service Rules and Regulation 2019 and NFIS Action Plans (NAP). She is also involved in various financial education initiatives such as the integration of the national financial literacy curriculum, Youth Ethics (YE Banking), Students Business Seedling Program (SBS) and facilitating the nationwide financial literacy road show programs. Prior to her current position, She has worked in the capacity of a Deputy Commissioner to Sales Tax Department under the Ministry of Finance for fourteen years, wherein, she was mainly involved in leading

the Division to facilitate indirect tax researches, formulation of environmental taxation, fiscal incentives and policies, amendment of the Sales Tax rules and regulations, sales tax assessments, revenue generation and forecasting. She has also worked for Cancer research UK, out of her personal interest in pursuing social work and gaining experience of working in the third sector.

### **Mr Antonio Gomes**



Mr Antonio Gomes is Acting Deputy Director of the OECD Directorate for Financial and Enterprise Affairs since September 2018. He is responsible for the Directorate's Market Cluster including Competition, Investment, Financial Markets, Financial Education and Consumer Protection, Pensions, Insurance and Public Debt Management, supporting the coordination and management of the policy and standard-setting work in these areas. He previously served as Head of the OECD Competition Division (2016-2018), President of the Portuguese Competition Authority (2013-2016), Senior Competition Expert at the OECD Competition Division (2013) and Director of the Merger Department of the Portuguese Competition Authority (2007-2013). Since 2005, he has been an Assistant Professor at the Universidade de Aveiro, Portugal. Antonio Gomes holds a PhD in Economics from the University of York, U.K., and Master Degrees in Economics from the University of York and the Universidade Nova de Lisboa.

### **Mr Hariharan Neelakanta Iyer**



Mr Hariharan is presently Chief General Manager in the Office of Chairman, SEBI, heading the Communications Division. He also heads the Office of Investor Assistance and Education (OIAE) Department. Mr Hariharan is also Secretary to the Board. He is a member of various SEBI and inter-regulatory Committees. He is a Director in the National Centre for Financial Education, a not-for-profit Company promoted by financial sector regulators for financial education. He has more than 32 years of experience in the Government and public sector and started his career as a banker in State Bank of India. He later joined the Indian Information Service (IIS), a civil service, and worked in various departments in Government of India. He also had a tenure of three years at the Prime Minister's Office, Government of India, New Delhi. He is a Post Graduate in English Literature, Public Administration and has a Master's Degree in Law (LLM) specialised in Business



Law. He is a Certified Associate of the Indian Institute of Bankers (CAIB). He is also an Associate of the Institute of Company Secretaries of India.

### **Dr Lillian Koh Noi Keng**



Dr Lillian Koh Noi Keng has been the Chair of the Centre for Financial Literacy at the National Institute Education, Nanyang Technological University for a decade. In financial literacy advocacy which she started since the year 2000, she has trained more than 15,000 teachers in personal finance education & pedagogy skills. The center has an outreach of more than 368,000 students, parents & teachers from more than 300 schools in Singapore through more than 600 events organised together with partner schools and stakeholders. She has personally trained 500 experienced teachers to infuse financial literacy into the food and consumer education syllabus, which is a mandatory subject in Singapore secondary schools.

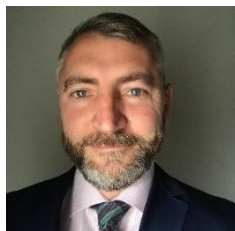
### **Dr Rewat Bahadur Karki**



Dr Rewat Bahadur Karki has been leading SEBON as Chairman for about four years and prior to this position, he was expert member of the Board. He has also worked in various capacities in different national and international organisations. Dr Karki has also professional association with Nepal Economic Association and Management Association of Nepal. He was also associated with Nepal Stock Exchange (NEPSE) as CEO from 2006 to 2008. During his tenure as CEO in NEPSE, a number of reforms including trading automation was achieved. He has also served as an Advisor to Executive Director (2002-2005) at International Monetary Fund (IMF), USA and also as an Economist (1992-1994) in Bank of Namibia through UNDP. He was also associated with the Central Bank of Nepal in different capacities for more than two decades. Similarly, his association was also with various other organisations including Nabil Investment Bank, Nepal Citizen Investment Trust, Credit Information Bureau, Mid Western Rural Development Bank etc. as a member of Board of Directors. He was the Chairman of largest public sector bank-RBB too. Dr Karki has received numerous awards including Nepal Vidyabhsan “Ka” for his outstanding contribution in the field of Economics and Management. He has been contributing in the academia through his various research works and articles on economics, finance and budget. Similarly, he has contributed as a resource person

in different national conferences, and also represented Nepal in various international forums. Dr Karki holds a PhD in Economics from India and M.A. in Economics from Tribhuvan University, Nepal, and is also a law graduate from the same University.

### **Mr Miles Larbey**



Mr Miles Larbey is the Head of the Financial Consumer Protection Unit at the OECD. In this role, he is responsible, among other things, for supporting the G20/OECD Task Force on Financial Consumer Protection and the International Network on Financial Consumer Protection. Before this, Miles held positions as Senior Executive Leader for Financial Capability at the Australian Securities and Investments Commission, and General Manager of the Investor Education Centre in Hong Kong. He has wide-ranging experience in financial consumer protection law and policy; banking, credit and insurance supervision; and financial education.

### **Ms. Surekha Marandi**



Ms Surekha Marandi, currently oversees the functions of the Reserve Bank of India's (RBI) Financial Inclusion and Development Department (FIDD), Customer Education and Protection Department (CEPD) and the Department of Communication (DOC). During her tenure FIDD finalised the National Strategy of Financial Inclusion, set up the BC certification and BC registry process and set up National Centre Financial Education (NCFE) funded by four regulators as an independent entity; CEPD implemented the schemes for an Ombudsman for Non-Banking Finance Companies and Non-Bank entities handling digital payments, an Internal Ombudsman Scheme for banks and a unified Complaint Management System; DOC completed phase 1 of the RBI Museum at Kolkata and launched the nationwide "RBI Kehta Hai" public awareness campaign. She has three decades of experience in areas of Regulation and Supervision across diverse sectors viz., Commercial Banks, Financial Institutions and the Co-operative Sector as well as Human Resources, Financial inclusion and Consumer Protection. She has served in various Offices of RBI in Chennai, Kolkata, Ahmedabad, Bhopal, Guwahati and Mumbai. As Regional Director, North East, she has implemented the Financial Sector Plan for the highly excluded North East Region. She has served as a Member/Member Secretary of various committees viz., Committee on Customer Service, Committee on Financial Sector Assessment, Committee on Financial Sector Plan for the State of Chattisgarh, ICT enabled financial inclusion,

Expert Committee on MSMEs, etc. She has also served on the Boards of United Bank of India and Bank of Baroda and is also on the Board of Investor Education and Protection Fund and NCFE.

### **Mr Janardan Dev Panta**



Mr Janardan Dev Pant is the Chief Executive Officer of Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd, a pioneer microfinance institution involved in extending financial services to low income group in Nepal. He is also the Vice Chairman of Nirdhan, an NGO involved in extending services in education, training, and health to deprived sector people. Also associated with Center for Microfinance Nepal, a pioneer network of microfinance institutions and professionals with

a not for profit agenda as a Board Member, Mr Panta is also the Chairman of Dr Harihar Dev Pant foundation, a charitable not for dividend organisation. Mr Panta was also associated with Nepal Investment Bank Ltd from July 7, 2010 to August 31, 2015 as Director and Chairman of its audit committee and member of risk management committee. He was also the Director of Siddhartha Insurance Limited from April 16, 2012 to April 12, 2016 and Chairman of its Audit Committee and Member of Risk Management and Solvency Committee. He was also founding Chairman of Quantum Capital Limited, a management and investment company. Mr Pant began his banking career with Himalayan Bank Ltd (HBL) in the credit department and spent 11 years in various managerial positions. Prior to his career with HBL, Mr Pant held Office Chief position in District Irrigation Office, Rupandehi District, Government of Nepal and Technical Officer with Nepal Industrial Development Corporation. He has a B.S. Civil Engineering degree and also holds an MBA in Finance from Oklahoma City University.

### **Mr Bal Ram Paudel**



Mr Bal Ram Paudel is a Fellow Chartered Certified Accountant, FCCA and MBA. Under his leadership as the Team Leader and the Fund Manager of Employment Fund Secretariat in Nepal during 2009 - 2015, more than 100,000 youths were trained and linked to the employment. Many of the trained youths were successful to start their own enterprise and become job provider to others. Mr

Paudel has more than two decades of working experience in the development sector with various organizations within Nepal and outside. He has worked as an expert for designing the program focusing on skills and enterprise promotion for

youths within Nepal and outside such as in Mozambique, Kirgizstan, Laos and Eastern Caribbean. Currently he is working as Program Management Analyst at UNDP Country Office in Nepal. His responsibility includes leading on program finance, partnership management, grants management, audit and assurance and compliance. He brings expertise in various area including skills and enterprise promotion, access to finance, project formulation, strategic financial management, audit and assurance, result based program management and partnership management.

### **Mr Sanjib Subba**



Mr Sanjib Subba started his professional journey with the then Grindlays Bank (now Standard Chartered) in early 90s. In late 90s, he moved to Thailand to be part of a team to start a brand new American University namely Webster University where he worked for more than 10 years as Executive Director overseeing entire graduate program, professional development courses and international admissions division. In 2010, Asian Development Bank recruited Mr Subba through international search committee as the CEO of National Banking Institute (NBI), the banking academy of Nepal. NBI is established with joint efforts of Nepal Rastra Bank (Central Bank), Government of Nepal, Nepal Bankers' Association and Asian Development Bank. Under his leadership, NBI has now completed 10 years of operation and has trained more than 40,000 bankers through more than 2000 trainings in Nepal. Mr Subba also launched first ever Mobile enabled Learning App for Financial Literacy targeting students, youths, remittance dependent families, women's group amongst others. Mr Subba's areas of interests include financial inclusion, youth entrepreneurship development amongst others. Apart from an MBA, he is also the graduate of Executive Education program from Stanford University in California, World Bank Institute in Washington DC and also has earned Master Trainer Certification on Corporate Governance from International Financial Corporation (IFC) of the World Bank.

### **Mr Bumpei Sugano**



Mr Bumpei Sugano is Deputy Director at International Affairs/ G20 Office of Japan Financial Services Agency (JFSA) in charge of international cooperation as well as financial inclusion. He assumed the role of co-chair of G20 Global Partnership for Financial Inclusion (GPII) under the Japan's G20 Presidency this year. Previously, he joined Ministry of Foreign Affairs in 2011 and was assigned in Climate Change Division in 2011-2013. After the two-year training period, he also worked at Economic Section of Japanese Embassy in the Philippines from 2015 to 2017 before he was seconded to JFSA. He holds a LL.M from University of Pennsylvania and a M.P.A from Columbia University.

### **Dr Achyut Wagle**



Dr Achyut Wagle, PhD in economics, is currently professor (adj) at Kathmandu University School of Management, Kathmandu. He is also Chair of Institute of Financial Education and Communication (IFEC-Nepal) which is an affiliate member of OECD-INFE for last four years. Under the leadership of Dr Wagle, IFEC as the only INFE affiliate non-profit organization in Nepal dedicated to the financial education works in all aspects of financial education ranging from developing the training materials, delivery of trainings and research on training needs and training outcomes. He is widely published in national and international journals and newspapers and is a weekly op-ed columnist to The Kathmandu Post/Kantipur dailies. He has experience of working as the advisor to the prime minister of Nepal, advisor to the Central Bank of Nepal and consultant to The World Bank, Asian Development Bank and DFID among others.

## **Dr Joanne Yoong**



Dr Joanne Yoong is an applied microeconomist working at the intersection of behavioural economics, health and financial decision-making, and socioeconomic development. Dr Yoong's primary appointment is as Senior Economist at the University of Southern California, where she directs the offices of the Center for Economic and Social Research in Singapore and Washington DC, and is a principal member of the USC Behavioral Economics Studio.

Dr Yoong is also a visiting associate professor at the Yong Loo Lin School of Medicine at the National University of Singapore, an honorary senior lecturer at the London School of Hygiene and Tropical Medicine, and an adjunct economist at the RAND Corporation. In addition to her research work, Dr Yoong is the founder of Research for Impact, a Singapore-based think-and-do tank dedicated to making rigorous and objective research and evaluation accessible, inclusive and transformative for populations in Asia. Dr Yoong received her Ph.D. in Economics at Stanford University as an FSI Starr Foundation Fellow and her AB summa cum laude in Economics and Applied and Computational Mathematics from Princeton University.

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