

Responsible Financial Access
Finance & Markets Global Practice

RWANDA

Diagnostic Review of Consumer Protection and Financial Literacy (Private Pensions and Securities)

Volume I: Key Findings and Recommendations

November 2015

DISCLAIMER

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Abbreviations and Acronyms

2013 CPFL Review	WBG CPFL review of the banking and non-banking sectors in Rwanda
2015 CPFL Review	WBG CPFL review of the pension and securities sectors in Rwanda
ADECOR	Rwanda Consumer's Rights Protection Organization
ASSAR	Association of Rwandan Insurers
BID	Basic information document
BNR	National Bank of Rwanda
CCP Law	Law No. 36/2012 of 21/09/2012 Relating to Competition and Consumer Protection
Central Bank Law	Law No. 55/2007 of 30/11/2007 Governing the Central Bank of Rwanda
CEO	Chief executive officer
CHROR	Consumer Human Rights Organization of Rwanda
CIS	Collective investment scheme
CIS Law	Law No. 40/2011 of 20/09/2011 Regulating Collective Investment Schemes in Rwanda
CIU	Collective investment undertaking
CMA	Capital Market Authority
CMA Law	Law No. 11/2011 of 18/05/2011 Establishing the Capital Markets Authority
CMAC	Capital Market Advisory Council
Complaints Regulation	Regulation No. 04/2012 of 02/07/2012 on Capital Market Complaints
CPFL	Consumer protection and financial literacy/capability
CSD	Central Securities Depository
CSD Law	Law No. 26/2010 of 28/05/2010 Governing the Holding and Circulation of Securities
CSR	Social Security Fund of Rwanda
DC	Defined contribution
Draft Pensions Regulation	Regulation on Minimum Operating Standards and Supervision of (Voluntary and Mandatory) Pension Schemes
DSE	Dar es Salaam Stock Exchange
EIOPA	European Insurance and Occupational Pensions Authority
FISF Program	Financial Inclusion Support Framework Program
FSDP	Financial Sector Development Plan
GDP	Gross domestic product
Global Survey	WBG 2013 <i>Global Survey on Financial Consumer Protection</i>
HR	Human resources
IFC	International Finance Corporation

Insurance Brokers' Code of Conduct	Code of Practice for Insurance Brokers, set out as Appendix I to the Market Conduct Regulation
IOPS	International Organisation of Pension Supervisors
KFS	Key Facts Statement
KYC	Know your customer
Market Conduct Regulation	Regulation No 12/2009 of 13/10/2009 on Market Conduct Requirements for Insurers and Insurance Intermediaries
MINECOFIN	Ministry of Finance
MINICOM	Ministry of Trade and Industry
MOU	Memorandum of understanding
NBFI	Non-bank financial institution
NFES	National Financial Education Strategy
NICA	National Inspectorate and Competition Authority
Ombudsman Law II	Law No. 76/2013 of 11/9/2013 Determining the Mission, Powers, Organization and Functioning of the Office of the Ombudsman
OPSG	EIOPA Occupational Pensions Stakeholder Group
Pensions Law	Law No. 05/2015 of 30/03/2014 Governing the Organization of Pension Schemes
Regulation on Capital Market Principles	Regulation No. 05/2012 of 02/07/2012 on Capital Market Principles
Regulation on Licensing	Regulation No. 01/2012 of 25/06/2012 on Capital Markets (Licensing Requirements)
Regulation on the Conduct of Business	Regulation No. 02/2012 of 25/06/2012 on Capital Market Conduct of Business
RSE	Rwandan Stock Exchange
RSSB	Rwanda Social Security Board
RSSB Law	Law No. 45/2010 of 14/12/2010 Establishing Rwanda Social Security Board (RSSB) and Determining its Mission, Organisation and Functioning
SMS	Short messaging service
SRO	Self-regulatory organization
Vision 2020	Vision 2020 Umurenge Program
WB	World Bank
WBG	World Bank Group

Acknowledgements

This report was produced under the World Bank Group's Financial Inclusion Support Framework (FISF) country support program in Rwanda (P151374) led by Gunhild Berg and Leyla Castillo. It contains the findings and recommendations from a World Bank (**WB**) mission to Rwanda from March 20 to 27, 2015, which took place for the purposes of a diagnostic review of the Consumer Protection and Financial Literacy/Capability (**CPFL**) laws, institutions and practices applicable to certain regulated financial services in Rwanda (**2015 CPFL Review**). The pensions and securities sectors were considered, along with relevant financial literacy/capability programs in Rwanda. The 2015 CPFL Review complements the CPFL review of the banking and non-bank credit institutions sectors that was conducted in 2013 (**2013 CPFL Review**).

The FISF Program is a World Bank Group (**WBG**) initiative supported by the Kingdom of the Netherlands and the Bill & Melinda Gates Foundation, which provides technical assistance and capacity-building support to countries to help them accelerate the achievement of their financial inclusion commitments and targets. The WBG's Good Practices for Consumer Protection and Financial Literacy/Capability were used as a benchmark for the review.¹ CPFL reviews against Good Practices have been conducted by the WBG in more than 30 countries worldwide, including in many African countries.²

The 2015 CPFL Review was undertaken by a team led by Rosamund Grady (Senior Financial Sector Specialist, GFMDR, and Technical Lead). Other members of the team included Fiona Stewart (Senior Financial Sector Specialist, GFMDR, and Pensions Expert) and Richard Symonds (Consultant, Securities Expert). Research support was provided by Stephanie Chu (Consultant, GFMDR) and Marco Traversa (Consultant, Research Analyst, GFMDR). Administrative support was provided by Suran Kc Shrestha (Program Assistant, GFMDR) and Sylvie Ingabire (Team Assistant, AFMRW).

Peer review comments on this report were received from Sau Ngan Wong (Senior Financial Sector Specialist, GFMDR), Denise Dias (Senior Financial Sector Specialist, GFMDR), and Anthony Randle (Consultant, GFMDR). Overall guidance was provided by Douglas Pearce (Global Lead, Responsible Financial Access, GFMDR). The mission team is grateful for their valuable contributions.

Extensive consultations were held with relevant stakeholders for the purposes of the review. They included the National Bank of Rwanda (**BNR**), the Ministry of Finance (**MINECOFIN**), the Rwanda Capital Market Authority (**CMA**), other government entities and public agencies, financial institutions, industry associations, consumer associations and professional bodies.

The mission team is grateful for the support and collaboration extended by all stakeholders. The team wishes to express its appreciation particularly to the Rwandan authorities for their strong support for the 2015 CPFL Review and their assistance during, and after, the abovementioned mission.

Preface

The existence of a sound financial consumer protection framework is fundamental to increasing access to and usage of financial services, and the quality of those financial services, along with supporting further financial sector deepening. Financial consumer protection is a necessary precursor to building trust in the formal financial sector and thus in encouraging financial inclusion. Further, consumer protection helps ensure that expanded access benefits consumers and the economy as a whole. While increased access can result in significant economic and societal benefits, it can be neutral or even harmful if consumers: (i) cannot exercise their rights as consumers, (ii) cannot select the financial products that suit them best; and (iii) are not protected from mis-selling, fraud and other market abuses.

The World Bank's *Good Practices for Financial Consumer Protection* are an assessment tool for diagnostic reviews of a country's consumer protection and financial literacy framework (Good Practices).³ More than 30 such reviews have been conducted worldwide. The Good Practices were developed using international benchmarks and take account of the legal and regulatory frameworks in developed and developing countries.⁴

The main objective of a Consumer Protection and Financial Literacy (CPFL) review is to assess the legal, regulatory and institutional frameworks for financial consumer protection in a country, with reference to the Good Practices. The following areas are addressed: (i) Institutional Arrangements; (ii) the Legal and Regulatory Framework; (iii) Transparency and Disclosure; (iv) Business Practices, (v) Complaints Handling and Dispute Resolution Mechanisms; and (vi) Financial Literacy/Capability. All parts of a financial sector can be considered including banking, non-bank credit institutions, insurance, securities, private pensions and credit reporting.

There is an increased international focus on consumer protection in the financial sector. As shown by the World Bank's *2013 Global Survey on Financial Consumer Protection (Global Survey)*, a legal framework for financial consumer protection exists in 112 out of the 114 countries surveyed. The most common approach is to have a financial sector-specific consumer protection regulatory framework (which exists in 103 countries). The Global Survey also showed that the number of regulatory agencies with specific responsibility for financial consumer protection increased from 74 in 2010 to 97 in 2013.

As a complement to a strong financial consumer protection framework, it is important to have high levels of financial literacy/capability so that consumers have the necessary knowledge and understanding to make informed decisions, and to help meet financial inclusion targets by building trust in the financial sector. For instance, any regulations that require financial institutions to disclose, clearly and fairly, the key information on terms and conditions associated with their products and service will not affect a consumer's behavior if the consumer does not understand why it is important to read disclosure documents or if they fail to understand the information contained in these documents. Likewise, any requirement for financial institutions to have standardized procedures for dealing with consumer complaints will be ineffective if consumers are not aware of their rights and the available complaints mechanisms or if they prefer not to take action to deal with a complaint. Financial literacy is especially important in an environment where there are high levels of innovation in the design and delivery of financial products.

³ World Bank Group, *Good Practices for Financial Consumer Protection* (2012), available at <<http://responsiblefinance.worldbank.org/~media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>> (last visited on December 11, 2014).

⁴ Relevant international standards include the principles released by the Basel Committee, the International Organization of Securities Commissions (**IOSCO**) and International Association of Insurance Supervisors (**IAIS**) and Organisation for Economic Co-operation Development (**OECD**) recommendations for financial literacy and awareness on pensions, insurance and credit products.

Executive Summary

1. **Key Findings and Recommendations presented in this report are based on the World Bank's *Good Practices for Financial Consumer Protection* and consider the pensions and securities sectors in Rwanda (2015 CPFL Review).** The report reflects the legal and regulatory framework, and relevant aspects of the financial sector, at the time of the 2015 CPFL Review, with limited reference to existing and proposed changes of which the authors of the report were aware at the time of writing. The 2015 CPFL Review complements the CPFL review of the banking and non-bank credit institutions sectors that was conducted in 2013 (2013 CPFL Review).

Key Findings and Recommendations

2. **As noted in the 2013 CPFL Review, the general legal and regulatory framework for financial consumer protection in Rwanda is at a very early stage of development.** The Parliament of Rwanda has passed an impressive array of financial sector laws in the past five years and there are strong consumer protection provisions in financial sector regulation in some areas (see 2013 CPFL Review for further discussion). In the context of the pensions sector, this includes Regulation No 12/2009 of 13/10/2009 on Market Conduct Requirements for Insurers and Insurance Intermediaries (**Market Conduct Regulation**) which applies to sale of retirement products by insurance companies. However, overall, the institutional framework for financial consumer protection in Rwanda is fragmented because of a lack of clarity in the roles and responsibilities of different institutions and enforcement capacity is weak. In particular, there is overlap between the consumer protection responsibilities of the National Bank of Rwanda (**BNR**) and the competition and consumer protection regulatory body, the National Inspectorate and Competition Authority (**NICA**) which operates under the Ministry of Trade and Industry (**MINICOM**).
3. **Prior to the passage of the new Law No. 05/2015 of 30/03/2014 “Governing the Organization of Pension Schemes” (Pensions Law), private pension funds were unregulated.** The new Pension Law should provide a sound basis for protection of members of private pension funds; however, there is still room for improvement on many CPFL aspects. On the public pensions side, to date, the Rwanda Social Security Board (RSSB) has provided defined benefit pensions (and healthcare and other protection) on a mandatory basis to all workers formally employed in the public and private sectors under the supervision of BNR under Law No. 55/2007 of 30/11/2007 Governing the Central Bank of Rwanda (Central Bank Law). However the new Pensions Law will regulate both the RSSB and private pension funds going forward under the supervision of BNR. Combined with the Draft Pensions Regulation, the pension's regulatory framework is reasonably comprehensive in coverage, including on consumer protection issues. However there remain some consumer protection issues still to be addressed, which are detailed below.
4. **In the securities sector, a number of existing laws and regulations provide the foundation of a comprehensive regulatory framework for the capital markets in Rwanda.** These include Law No. 11/2011 of 18/05/2011 Establishing the Capital Markets Authority (**CMA Law**), which established the Capital Markets Authority (**CMA**) as the capital markets regulator; Law No. 01/2011 of 10/02/2011 Regulating the Capital Market in Rwanda (**Capital Market Law**); and Law No. 40/2011 of 20/09/2011 Regulating Collective Investment Schemes in Rwanda (**CIS Law**). While these laws provide a sound regulatory framework for the relatively young capital markets in Rwanda, the framework is not yet complete and work is still being done in some areas (e.g. the CMA's regulatory and supervisory procedures). However there remain outstanding investor protection issues which need to be addressed (see below).
5. **The main consumer protection and financial literacy/capability challenges are as follows (with the related high priority recommendations set out in Table 1 below):**
 - **BNR's supervisory capacity, including over the pensions sector, is limited.** Support to establish a robust supervisory oversight for the sector in general, and over consumer protection issues in

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particular, will be needed. Supervisory capacity needs to be strengthened as soon as possible so that effective industry supervision is available now that the new Pensions Law is in effect.

- **The passage of the new Pensions Law provides an important opportunity for BNR to hold a workshop on pension issues and consumer protection issues for the sector.** Participants should include other institutions with a financial oversight role (e.g. the CMA), the Office of the Ombudsman, consumer protection associations (e.g. the Rwanda Consumer's Rights Protection Organization (**ADECOR**)), as well as to members of the public.
- **Existing occupational schemes will need to transition to the new structure created by the Pensions Law, establishing Trustee Boards, segregating assets and appointing custodians (amongst other things).** BNR should host industry consultations with occupational plan sponsors (i.e. human resources (**HR**) representatives from employer firms) and providers (i.e. life insurance companies and the National Association of Insurers of Rwanda (**ASSAR**)) to explain the new Pensions Law, the implications for service providers and stakeholders (e.g. the roles and responsibilities of trustees, the requirement to appoint custodian) and the standards which BNR expects.
- **The Draft Pensions Regulation could be strengthened with the inclusion of additional consumer protection provisions.** For example, provisions could be added on trustee training requirements, the designation of HR representatives by sponsoring employers, the selling of pension products to individuals, the provision of information on guarantees, fees and withdrawal rights, and on the confidentiality of member personal information.
- **A review of the selling of retirement products being sold to individuals by insurance companies needs to be conducted, as many individuals do not appear to understand the products for which they are signing up.** Recommendations made in the 2013 CPFL Review on the selling of long-term savings/retirement products should be applied (e.g. accurate information on investment returns, disclosure of commissions, customer suitability requirements, client acknowledgment that the financial advice they received has been understood).
- **The passage of the new Pensions Law also provides a good opportunity to launch a public awareness campaign on pensions.** Such a campaign could be part of the National Financial Education Strategy (**NFES**), currently being done by the Ministry of Finance (**MINECOFIN**).
- **Like BNR, the CMA would also benefit from additional resources to undertake its regulatory and supervisory responsibilities in the securities sector.** The CMA has broad responsibility for the protection of investors (including the review and handling of investor complaints), but it has limited resources. For example, its Inspection Department, which was created in 2014, has only one staff member. Greater resources would enable the CMA to become more effective as the securities industry continues to become more active in Rwanda.
- **Licensing requirements do not currently apply to natural persons who provide investment advice or broking services.** All persons who carry out a capital markets business in Rwanda are required to be licensed under the Capital Market Law. Broker–dealer firm, promoters and dealers of collective investment schemes (**CISs**), asset managers and the schemes themselves can apply to be licensed or registered. However, there do not appear to be specific requirements for investment advisors and broker–dealers to be licensed in their individual capacity.
- **Similarly, the specific qualification requirements for individual investment advisors are unclear.** The Capital Market Law requires licensed capital market firms to hire only '*qualified*' persons, but there is no definition for the characteristics of a qualified person. There is also no requirement to pass a competency examination in order to act as a salesperson for the firm.
- **There is potential for the CMA and the Office of the Ombudsman (which covers the entire financial sector) to make conflicting determinations with respect to the same complaint in relation to securities matters.** This is because although the Office of the Ombudsman can refer complaints relating to securities matters to the CMA as the specialist agency in these matter, the complainant can return to the Office of the Ombudsman if the CMA has neglected the matter. The Office of the Ombudsman can then request that the CMA take specific action, impose specific

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sanctions or even act as an institution with powers of the Judicial Police. This could create potential conflict with the CMA if the CMA determines there is no substance to the complaint. The CMA and the Office of the Ombudsman should enter into a memorandum of understanding (**MoU**) regarding their enforcement activities to avoid such conflicts.

- **There are no privacy or data protection laws that provide for the confidentiality of personal information in either the pensions and securities sectors.** There should be an express requirement on the confidentiality of personal information in both the Draft Pensions Regulation and Capital Market Law. As noted in the 2013 CPFL Review, in the longer term, it is recommended that a specific data protection law be introduced in Rwanda to ensure that personal information receives consistent and specific protection across all financial services sectors.

6. A summary of the High Priority Recommendations is outlined in Table 1 below. The implementation activities in respect of these recommendations should commence as soon as possible, although it is acknowledged that some of these recommendations may take longer than others to implement (see reference to the relevant Term). All recommendations, not only the high priority ones, are summarized in Annex 2 to this Volume I. Further detail is provided in the Volume II of this report.

Table 1: Summary of High Priority Recommendations⁵

SECTOR	RECOMMENDATION	RESPONSIBILITY	TERM*
INSTITUTIONAL ARRANGEMENTS			
Pensions	Conduct capacity building on consumer protection supervision aspects of the new Pensions Law for BNR, and general awareness for other institutions with relevant financial sector responsibilities (e.g. CMA), the Office of the Ombudsman and consumer associations (e.g. ADECOR).	BNR	ST
Securities	Increase CMA resources and capacity to supervise new investor protection rules as capital markets in Rwanda become more active.	CMA	MT
LEGAL AND REGULATORY FRAMEWORK			
Pensions	Consult with industry in relation to consumer protection aspects of the new Pensions Law and related regulations regarding roles, obligations and supervisory standards, so as to enhance comprehension and implementation of the new requirements.	BNR	ST
	Include additional consumer protection measures in the Draft Pension Regulation (e.g. trustee training requirements; designation of HR representatives by sponsoring employers; rules on the selling of pension products; information on guarantees, fees and withdrawal rights; confidentiality of member information (see below); cooling-off periods; disclosure of financial position by pension fund management companies; general disclosure requirements).	BNR	ST
	Introduce an express requirement in the Draft Pensions Regulation regarding the confidentiality of pension scheme member personal information.	BNR	ST
Securities	Introduce licensing and qualification/training requirements for natural persons who act as salespeople or advisors for investment firms.	CMA	MT

⁵ A reference to "laws" includes a reference to Acts, regulations and other forms of subordinate legislation.

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SECTOR	RECOMMENDATION	RESPONSIBILITY	TERM*
	Monitor the extent to which the principles-based regulatory approach to investor protection in the capital markets in Rwanda results in compliance, and revise approach if necessary.	CMA	MT
	Introduce the following provisions into the Capital Markets Law: <ul style="list-style-type: none"> • Provisions on the privacy and confidentiality of customer information held by firms; and • Penalties for the disclosure of confidential, restricted information in relation to investors by non-government entities such as a broker or adviser. 	CMA	ST
TRANSPARENCY AND CONSUMER DISCLOSURE			
Pensions	See recommended provisions for inclusion in the Draft Pensions Regulation (see above section on Legal and Regulatory Framework).	BNR	ST
	Review the information that is provided by pension schemes and sponsors to their scheme members and provide further guidance on disclosure requirements under the new Pensions Law if necessary.	BNR	MT
Securities	Require summary Key Facts Statements (KFSs) for CISs and advisory services, and the disclosure of policies and practices on frequent trading and inducements from service providers.	CMA	MT
BUSINESS PRACTICES			
Pensions	Complete a thorough stocktaking of the occupational funds currently operating.	BNR	ST
	Complete a survey of the long-term insurance products (e.g. retirement products) that are being sold on a retail basis.	BNR	ST
	Improve information collected on the pensions sector, including the number and nature of funds, membership and asset data, and performance and fee information.	BNR	MT
	Implement recommendations of the 2013 CPFL Review on the selling of insurance products to the selling of retirement/long-term savings products (e.g. concerning accurate information on investment returns, disclosure of commissions, customer suitability requirements and obtaining client acknowledgements as to the financial advice received).	BNR	MT
COMPLAINTS-HANDLING AND DISPUTE RESOLUTION			
Pensions	Enhance resources and capacity of the Office of the Ombudsman to cover the handling of pensions-related disputes.	Office of the Ombudsman	MT
	Include a review of internal and external dispute mechanisms (including how these mechanisms are made known to members) in BNR's supervisory oversight as it develops (e.g. it should be noted in off-site, on-site supervisory manuals).	BNR	MT
Securities	Clarify overlap between the roles of the CMA's Complaints Committee, the Independent Review Panel and the Office of the Ombudsman regarding capital markets disputes. The CMA and Office of the Ombudsman should enter into an MoU regarding their enforcement efforts.	CMA/Office of the Ombudsman	ST

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SECTOR	RECOMMENDATION	RESPONSIBILITY	TERM*
FINANCIAL LITERACY/CAPACITY			
Pensions	Launch a media strategy on the new Pensions Law, to be coordinated with the NFES, with the aim of explaining the advantages of occupational pension schemes and encouraging more employers to offer these benefits to their employees.	BNR/MINECOFIN	ST
Securities	Educate members of the media on issues relating to the capital markets and investor protection, and encourage reporting on these issues.	CMA/RSE	MT
	Provide more market information, in an unbiased manner, about the risks and benefits of investing in the capital markets.	CMA/RSE	MT
	Include the securities sector in the next financial capability survey, if the market has developed sufficiently.	CMA/RSE	LT

* ST = Short term (i.e. within one year). MT = Medium term (i.e. within two years). LT = Long term (i.e. within three years).

Financial Sector Context for Consumer Financial Services and Financial Literacy

- 1. The financial sector in Rwanda is at an early stage of development.** Despite significant existing challenges, the institutional elements of an emerging and formal financial sector are in place: bank and non-bank deposit-taking institutions, credit providers, insurance companies and a nascent industry of investment and private pension funds and capital markets firms, are present and growing. A number of informal channels still co-exist, filling an important gap in the provision of financial services (savings and credit) for the lower income segment, and in particular in the rural areas. Further details of the overall financial sector are in the 2013 CPFL Report.
- 2. There is a nascent industry of private pension funds and capital market firms which are providing and expanding the range of products and services available in the market.** Private pension schemes have begun to develop in anticipation of the introduction of the legal framework, with the enactment of the new Pensions Law expected to provide greater certainty and a foundation for expanding contractual savings. Further, efforts to develop the capital markets are ongoing. Measures include the issuance of instruments with longer maturities, the quarterly issuance of government bonds, and ongoing collaboration with the International Finance Corporation (IFC) as regard to issuing both regional bonds, and developing technical expertise and infrastructure in Rwanda. Additionally, an automated clearing and settlement platform is now in place and the authorities are currently working on implementing an automated trading platform. Initiatives are also ongoing to connect the various markets in the region.
- 3. Levels of financial inclusion in the private pensions and securities markets are currently low.** For example, the World Bank's Global Findex Database 2014 showed that only 4.9% of adults over 15 years of age saved for their old age (this figure was 9.8% in Sub – Saharan Africa).⁶ Such savings could include savings in private pension funds, as well as other long term investments. However the Global Findex Database does not separately identify levels of investment in the capital markets by individuals.
- 4. The ongoing implementation of Rwanda's Financial Sector Development Plan II aims to tackle the impediments to financial intermediation and increase saving and investment opportunities, thereby furthering financial inclusion.** For example, the Plan expresses the expectation that the new Pensions Law will mobilize long-term savings and contribute to capital market development. The Plan also highlights the objectives of finalizing the capital markets legal infrastructure, developing the government bond market and encouraging new listings and inter- listings on the RSE.⁷

⁶ <http://datatopics.worldbank.org/financialinclusion/country/rwanda>

⁷ See summary at page xii at: http://www.minecofin.gov.rw/fileadmin/templates/documents/Rwanda_Financial_Sector_development_program_II.pdf

Private Pensions Sector

5. **The Rwanda Social Security Board (RSSB) provides defined benefit pensions (along with healthcare and other protection) on a mandatory basis to all workers formally employed in the public and private sectors.**⁸ The scheme was established under Law No. 45/2010 of 14/12/2010 Establishing Rwanda Social Security Board (RSSB) and Determining its Mission, Organization and Functioning (**RSSB Law**) as a result of a merger between the Social Security Fund of Rwanda (**CSR**) and the medical scheme. It is supervised by the National Bank of Rwanda (**BNR**) under Law No 55/2007 of 30/11/2007 Governing the Central Bank of Rwanda (**Central Bank Law**) and is overseen by the Ministry of Finance (**MINECOFIN**). The scheme has around 350,000 contributors and pays pensions to around 30,000 retirees, which constitutes less than 10 per cent of the labor force in the country or around three per cent of the population. The fund currently manages over US \$500 million in assets (covering both retirement and medical schemes), which constitutes around eight per cent of GDP. The UK Government Actuary's Department estimates that the scheme will be financially secure until the 2040s.⁹
6. **Social protection is also covered by an old age grant, paid to around one million vulnerable citizens.** The grant is targeted on a geographical and household poverty basis (i.e. it is not specifically targeted toward the elderly). More broadly, under the Vision 2020 Umurenge Program (**Vision 2020**), the goal is to reach national coverage for social protection in Rwanda by 2018.¹⁰
7. **In terms of voluntary private pensions, only around 50 companies (e.g. banks, brewing companies) offer occupational pensions to their workers. These schemes are offered in addition to the RSSB membership. The decision to offer the fund is taken by the employer and there is no employee choice (of membership, pension fund provider or investment portfolio) involved.** BNR had a list of 54 such occupational pension funds as at September 2014. These are managed by life insurance companies¹¹ as guaranteed savings products (generally at four to five per cent interest, with some contracts having additional profits or 'bonus' clauses) that provide a lump sum payment at retirement. These group funds cover approximately 5,000 people. Assets under management are estimated at US \$50 million.¹²
8. **Insurance companies also sell retirement products directly to individuals.**¹³ These are long-term savings products that combine a guaranteed return savings element with a life insurance product. Around 100,000 contracts have been signed so far. Life insurance companies confirm that this type of retirement product is one of their main product lines, with assets estimated at around US \$12 million, being total assets of the insurance sector estimated at US\$ 385 million, at the end of 2014.¹⁴
9. **The private pensions industry in Rwanda has been unregulated until the recent passage of the Pension Law in**¹⁵. At the date of this report, Law No. 05/2015 of 30/03/2014 Governing the Organization of Pension Schemes (**Pensions Law**) had just been passed by Parliament and was awaiting final gazetting procedures. The Pensions Law will cover the operation of public and private pension schemes in the country. BNR, which will be the supervisor of the pensions industry going forward, has also prepared the Draft Regulation on Minimum Operating Standards and Supervision of

⁸ The monthly contribution rate is six per cent of gross salary: three per cent payable by employees and three per cent by employers. The self-employed can insure voluntarily on a monthly basis if their declared salary is between the minimum salary and the statutory cap. Old age pension is payable from 55 years of age to individuals with a minimum of 15 years of service. Members can continue to contribute until age 65. The pension amount is calculated based on the final salary, two per cent of which is added to the calculated pension for each year of service.

⁹ D Grenham and J McDaid, UK Government Actuary's Department, *Actuarial Valuation of the Rwanda Pension and Occupational Hazards Scheme as at 30 June 2012* (2012).

¹⁰ <http://www.rw.undp.org/content/dam/rwanda/docs/povred/VUP-VISION-2020-UMURENGE-DOCUMENT.pdf>

¹¹ The life insurance companies managing these occupational pensions are Soras Vie, Saham (Corar) Vie, Prime Life and Sonara Life. Additionally, BNR runs its own pension fund in-house. The main banks also offer 'savings schemes' to employers to invest on behalf of their employees on an aggregate. As these are not pension funds per se, they are not included in this report (although it is expected that some may establish themselves as pension funds under the new Pensions Law).

¹² No official statistics on the membership or assets of these schemes are available as the industry has to date been unregulated.

¹³ The new Pensions Law allows for the establishment of Personal Retirement Savings Accounts. These products are not as yet offered in practice in Rwanda.

¹⁴ Business Insurance, *Insurance Sector Opens in Rwanda*, 02/03/2015, available at

<http://www.businessinsurance.com/article/20150302/NEWS09/150309994>

¹⁵ Note however that the taxation of mandatory and voluntary pension funds is covered in Law No. 16/2005 of 18/08/2005 on Direct Taxes on Income (**Direct Tax Law**).

(Voluntary and Mandatory) Pension Schemes (**Draft Pensions Regulation**). It is expected that the Draft Pension Regulation will be put into effect imminently, now that the Pensions Law has been passed by Parliament.

- 10. Voluntary private pensions will be deemed ‘complementary occupational pension schemes’ under the Pensions Law.** Life insurance companies indicate that there is likely to be further interest from clients in these occupational pension schemes now that the new Pensions Law has passed and also when the new regulatory structure for the industry becomes clearer. These providers and RSSB welcomed the new Pensions Law and the Draft Pensions Regulation, as well as regulation of the pensions industry in general.¹⁶

Securities Sector

- 11. The securities sector remains underdeveloped in Rwanda, although it compares favorably to some of its peers.** Only seven equities are listed and nine bonds (seven government bonds and two corporate bonds).¹⁷ The 2013 market capitalization was US\$2 billion which was 27.24 per cent of GDP (see Table 2). Prior to 2011, the Capital Market Advisory Council (CMAC) had been set up to guide the development of capital markets in Rwanda and operate as the capital markets regulator, pending the creation of the Capital Market Authority (CMA) under Law No. 11/2011 of 18/05/2011 Establishing the Capital Markets Authority (CMA Law). CMAC facilitated the creation of the Rwandan Stock Exchange (RSE). Both the CMA and the RSE commenced operations in 2011.

Table 2: Stock market capitalization as % of GDP (in USD) of countries in the East African Community

Country	Year	2011	2012	2013	2014
Rwanda	Capitalization	1,590,436,751	1,694,294,297	2,048,512,305	1,930,894,049
	GDP	6,406,727,020	7,219,656,634	7,521,261,791	N/A
	% of GDP	24.82	23.47	27.24	N/A
Kenya	Capitalization	10,383,745,558	14,837,436,605	22,565,298,332	26,053,949,644
	GDP	41,953,433,591.4	50,410,164,013.6	54,930,813,987.9	60,936,509,778.0
	% of GDP	24.75	29.43	41.08	42.75
Tanzania	Capitalization	3,713,013,025	8,250,090,428	10,460,098,728	12,800,235,255
	GDP	33,561,501,962.0	38,808,657,767.1	44,333,456,244.7	49,183,884,817.5
	% of GDP	11.06	21.26	23.6	26.02
Uganda	Capitalization*	7,727,269,981	7,294,133,434	No Available Data	No Available Data
	GDP	18,661,302,214.7	23,724,745,221.4		
	% of GDP	41.4	30.7		
Burundi	Capitalization	No stock exchange			

*includes cross-listed stocks

Sources: Rwanda: RSE and CMA. Kenya: GDP – World Bank Indicators 2015; market capitalization – Nairobi Securities Exchange; currency – Oanda. Tanzania: GDP – World Bank Indicators 2015; market capitalization – Dar es Salaam Stock Exchange (**DSE**), currency – DSE. Uganda: GDP – World Bank Indicators 2015; market capitalization – World Bank Indicators 2015; currency – World Bank Indicators 2015.

- 12. The number of domestic stock listings on the exchange has not increased significantly over the last four years.** However, three companies from Kenya cross-listed by the end of 2014 and one additional Kenyan company cross-listed by May 2015. The number of bonds has increased as both the corporate and government sectors have turned to the market to raise money and provide benchmarks for treasury issues.

¹⁶ Much of the Pension Law and pension regulations currently in draft cover both the mandatory and the voluntary schemes. Though members of the mandatory scheme are not strictly ‘consumers’ the good practices relating to reporting and supervisory oversight should also apply to the scheme in order to protect members and instill international good practice.

¹⁷ See *Rwanda Stock Exchange* <<http://www.rse.rw/listed-securities>> (as at Daily Report of 20 August 2015).

13. In contrast the number of securities accounts has steadily increased over the last four years.

Although the records do not distinguish between natural and legal persons, the number of accounts would indicate that there are an increasing number of individual investors.

General Framework for Consumer Protection in Rwanda

A. Institutional Arrangements

- 1. The institutional arrangements for regulation and supervision of each part of the financial sector merit careful review.** Of particular importance are the following issues: who is responsible for consumer protection in each sector? Are there gaps/overlaps/capacity/resource issues to be considered? Is there an appropriate allocation between prudential supervision and consumer protection supervision? Is there coordination between multiple agencies? Is the private sector involved (e.g. through self-regulatory codes of conduct)? Does the supervisor concerned have adequate resources, skills and expertise? There is, however, no “best practice” on how to structure financial consumer protection institutionally. The appropriate model in any country depends on the country-specific characteristics such as size and structure of the financial system and existing regulatory and supervisory arrangements.

General Overview

- 2. The principal regulators that are the subject of this 2015 CPFL Review are BNR for the pensions sector and the CMA and RSE for the securities sector, with potential overlap with other regulators.** As noted in the 2013 CPFL Review, the overall institutional framework for financial consumer protection in Rwanda is fragmented because of a lack of clearly defined roles and responsibilities among different institutions and unclear enforcement capacity. The BNR’s consumer protection responsibilities overlap with those of the Ministry of Trade and Industry (**MINICOM**) under Law No. 36/2012 of 21/09/2012 Relating to Competition and Consumer Protection (**CCP Law**) and the Competition and Consumer Protection Regulatory Body (the National Inspectorate and Competition Authority (**NICA**) operating under MINICOM). Additionally, BNR is currently in the process of setting up a separate market conduct unit, which will require co-ordination with prudential supervisors.
- 3. Although consumer associations have standing to make a request for the regulator to commence an investigation and to bring civil proceedings on behalf of consumers, they lack capacity.** As noted in the 2013 CPFL Review, the MINICOM has supported the creation of two consumer associations that advocate for the rights of consumers: the Rwanda Consumer’s Rights Protection Organization (**ADECOR**) based in Kigali, and the Consumer Human Rights Organization of Rwanda (**CHROR**) based in Rubavu. Under the CCP Law, consumer associations have standing to make a request to NICA to commence an investigation into anti-competitive conduct. After a request is made, NICA must undertake consultation and consider the request. Registered consumer protection organizations may also commence civil proceedings in respect of a breach of a consumer protection law, either at the request of a consumer or if damages are claimed. In practice, financial sector issues are new to ADECOR and the pensions sector has not been covered. With the passage of the new Pensions Law, some training and awareness-building on pension issues could be provided.

Table 3: Financial Consumer Protection Regulators and Supervisors

Authority	Principal laws	Entities supervised/functions
Banque National du Rwanda (BNR)	Law No 55/2007 of 30/11/2007 Governing the Central Bank of Rwanda (Central Bank Law).	<ul style="list-style-type: none"> • Banks • Microfinance institutions • Non-bank financial institutions (NBFIs) (including insurance and pensions)
Capital Market Authority (CMA) (reports to MINECOFIN)	Law No. 11/2011 of 18/05/2011 Establishing the Capital Markets Authority (CMA Law).	Holds regulatory powers with respect to: <ul style="list-style-type: none"> • The capital market; and • Collective investment schemes (CISs).
Central Securities Depository (CSD) (operated by BNR)	Law No. 26/2010 of 28/05/2010 Governing the Holding and Circulation of Securities (CSD Law)	Securities clearing and settlement system.
Rwanda Social Security Board (RSSB) (supervised by BNR and overseen by the MINECOFIN)	Central Bank Law Law No. 45/2010 Establishing Rwanda Social Security Board (RSSB) and Determining Its Missions, Organisation and Functioning (RSSB Law)	Provides mandatory medical and pension coverage to all employers and workers engaged in public and private sector works in the “formal sector”.

Key Recommendation

4. **The 2013 CPFL Review recommended that consideration be given to amending the CCP Law to clarify that it does not apply to financial services.** These amendments could also clarify that BNR has primary responsibility for the supervision of laws and regulations applicable to consumer protection in the financial sector, with CMA having responsibility for the securities sector.

Private Pensions Sector

5. **Under the Central Bank Law, BNR is charged with supervising and regulating the activities of pension funds.** This responsibility sits with the NBF1 Division. Currently, BNR’s supervisory capacity, including in relation to the pension sector, is extremely limited. Specifically, there are only two staff members charged with supervisory responsibility for the pensions sector.
6. **Although there is a proposal to establish a Market Conduct Unit within BNR, the unit is unlikely to be operational until the beginning of 2016 or to have pension expertise for some time.** there is an urgent need for support to develop robust supervisory capacity with respect to the pensions sector and related consumer protection issues, which should be scaled up over time having regard to the size of the market. In particular, there is a need for greater oversight of the selling of retirement products on a retail basis by insurance companies. Consumers do not appear to fully understand the products, as many cash out after only a few years and do not understand why they receive less back than what they had put in (due to the life insurance element of the product), or why they receive less than they could have received in a bank account (due to the long-term guarantee of the return).

Key Recommendation(s)

- 7. BNR's supervisory capacity needs to be strengthened as soon as possible so that there is effective supervision of the pensions industry now that the Pensions Law has come into effect.** In particular there is a need for early capacity building in respect of the detail of the requirements of the new Pensions Law and the new Regulation (once it is finalized), the current state of the pensions market and appropriate methods for conduction on-site and off-site risk based supervision of the consumer protection aspects of the new regulatory framework. This supplements recommendations made in the 2013 CPFL Review to strengthen BNR's supervisory capacity more generally with respect to financial consumer protection. As an initial step, the passage of the new Pensions Law should offer a good opportunity to hold a workshop on general pension issues and on consumer protection issues for the sector. The workshop should involve not only BNR staff, but other oversight groups (such as the CMA), consumer associations (e.g. ADECOR) and the Office of the Ombudsman.

Securities Sector

- 8. The CMA Law establishes the CMA as the capital markets supervisor in Rwanda.** Under Article 3(12) of the CMA Law, one of the CMA's primary duties is *'to protect citizens and investors in capital market from unfair and unsound practices or practices involving fraud, deceit, cheating or manipulation'*. To carry out this mandate, the CMA's responsibilities include reviewing and settling investor disputes and reviewing firms' customer complaint logs. Firms must be able to demonstrate that it has effective arrangements for investigating customer complaints and sharing such information with the CMA in order to obtain a license to *'conduct the business of a securities exchange'*.¹⁸
- 9. The CMA and RSE are functioning reasonably well in the context of low levels of retail activity at present in the capital markets in Rwanda.** Depository functions are currently carried out by BNR and are in the process of being integrated into the RSE trading system. There are currently no industry associations in the capital markets to create or administer a voluntary code of conduct for the industry, which is likely due to the relative newness of capital markets in Rwanda. At present, the securities industry has a relatively close relationship with the CMA.
- 10. Several external dispute resolution systems exist or are in the process of being established.** These include the CMA Complaints Committee and its appellate body, the CMA Independent Review Committee, and the Office of the Ombudsman. A compensation scheme has also been established, albeit with limited resources, to provide coverage for *'persons who suffer pecuniary loss from any defalcation or fraud committed by any licensed dealers, its representatives or investment adviser'*.¹⁹
- 11. The CMA will however need to build its supervisory capacity and resources for investor protection as a priority.** The CMA is still in at an early stage of development, despite having been in existence (in the form of its predecessor, CMAC) since 2008. For example, it is still in the process of developing its general operating procedures and procedures for conducting audits of licensed entities, and there is only one auditor in the Inspection Department that was set up last year. As Rwanda's capital markets continue to grow, the CMA will require more resources to conduct its supervisory activities. These resources should be in place before individuals are actively encouraged to invest in the capital markets.

Key Recommendation(s)

- 12. The CMA needs additional resources to undertake its supervisory activities.** As a priority, it should complete its general operating procedures and finalize its audit procedures. It is recommended that one or two additional staff members be added to assist with conducting reviews of filings by companies registered with the CMA and listed on the RSE. Forensic accounting training should also be prioritized initially for the audit and examination staff. Lastly, as the capital market develops, there should be communication and consultation between BNR and the CMA in relation to supervision of banks which distribute, and advise on, securities. It is understood that there is an MoU in place between BNR and

¹⁸ Regulation No. 01/2012 of 25/06/2012 on Capital Markets (Licensing Requirements), Article 7(3) (**Regulation on Licensing**).

¹⁹ Capital Market Regulation No. 11/2012 of 31/12/2012 Establishing the Compensation Scheme in Rwanda, Articles 55–6.

CMA which may be helpful in this regard, but it should be reviewed and amended as appropriate to ensure that it adequately covers consumer protection issues.

B. Legal and Regulatory Framework

- 13. A strong legal and regulatory framework for financial consumer protection is crucial to protect financial consumers and proactively prevent market abuses.** Market conduct regulation should, at a minimum, ensure that consumers: (i) receive information to allow them to make informed decisions; (ii) are not subject to unfair or deceptive practices; and (iii) have access to recourse mechanisms to resolve disputes. All laws and subordinate legislation relating to consumer protection in the financial sector should be considered in this context with a view to assessing their scope and sphere of application, any related gaps and overlaps and with a particular focus on issues such as licensing, transparency and disclosure, business conduct, recourse mechanisms, data protection and credit reporting. The legal and regulatory framework should also be supported by supervisory agencies that have the capacity to ensure effective implementation (see above Section A on Institutional Arrangements).

Private Pensions Sector

- 14. Around the time of preparation of this report, the Pensions Law was passed by the Rwandan Parliament and final gazettal procedures had been completed.** Voluntary, private pension schemes in Rwanda had previously been unregulated. The Pensions Law covers the operation of public pension schemes (i.e. the RSSB) and private pension schemes going forward. The Pensions Law imposes new requirements on new and existing pension funds, including requirements to establish trustee boards to oversee their operations, to appoint external service providers (e.g. fund managers), to separate fund assets and to appoint a custodian. Custodial services are not currently used by any pension schemes, whether occupational schemes or the RSSB. Instead, pension assets are managed and held by the insurance companies themselves. The Pensions Law also includes other general consumer protection provisions covering disclosure, the obligation to act with due care, and managing conflicts of interest.
- 15. BNR has also prepared the draft Pensions Regulation that supplements the Pensions Law.** The Draft Pensions Regulation includes more detailed provisions that impose additional requirements and address additional issues (e.g. vesting). The draft Pensions Regulation is expected to be approved by the BNR Board in September 2015.
- 16. There are no specific provisions for the confidentiality, privacy and security of pension fund member information.** As noted in the 2013 CPFL Review, there are no privacy or data protection laws of general application in Rwanda. The Draft Pensions Regulation (Article 7(c)(vi)) requires the service level agreement between a pension scheme and any external pension administrators to include provisions concerning the external administrator's obligations with respect to the confidentiality, privacy and security of member personal information. Beyond this, there are no specific provisions in the Pensions Law or the Draft Pensions Regulation regarding the confidentiality, privacy and security of member information.
- 17. Overall, the new legal framework for pensions appears to provide a good basis for protecting pension fund members, but some areas can be further improved.** This report suggests some additional consumer protection provisions for inclusion in the Draft Pensions Regulation (see below paragraph 20).

Key Recommendation(s)

- 18. BNR should undertake industry consultation with existing pension schemes and occupational scheme providers in relation to the new Pensions Law.** An important objective of any such consultations should be to explain relevant consumer protection aspects of the new Pensions Law, the implications for service providers and stakeholders (e.g. the role and responsibilities of trustees and the need to appoint a custodian), and BNR's expectations in its capacity as the pensions regulator and supervisor going forward.

- 19. Existing occupational schemes will need support in transitioning to the new structure created by the Pensions Law.** Amongst other things, sponsoring employers and employee representatives must appoint trustee boards, make arrangements to segregate the assets of the scheme from assets that the trustees may hold to finance administrative expenses, and appoint a custodian approved by BNR. Industry consultation for occupational plan sponsors (i.e. HR representative of sponsoring employers) should be held. Providers such as life insurance companies and the life insurance industry association (ASSAR) should also be explained, in particular, the new obligations under the Pensions Law and the impact on service providers and stakeholders (e.g. role and responsibilities of trustees, the requirement for trustees to appoint a custodian).
- 20. Additional consumer protection provisions should be included in the Draft Pensions Regulation.** For example, provisions that could be added include: the training of trustees; a requirement for sponsoring employees to designate HR representatives; rules on advice and the selling of pension products (i.e. on a retail basis to individuals); information on guarantees, fees and withdrawal rights; cooling-off periods; and the disclosure of financial positions by pension fund management companies. Additionally, although there do not appear to have been any material breaches of confidentiality to date with respect to member personal information by the RSSB or occupational pension schemes, the Draft Pensions Regulation should include express requirements regarding the confidentiality of personal information (potentially including rules regulating when member information may be used for cross-selling purposes within financial groups).

Securities Sector

- 21. Significant work has been undertaken to develop a sophisticated legal and regulatory framework for capital markets in Rwanda.** The key laws and regulations for the sector include: the CMA Law; the Capital Market Law; the CIS Law; the CSD Law; Regulation No. 02/2012 of 25/06/2012 on Capital Market Conduct of Business (**Regulation on the Conduct of Business**); Regulation No. 05/2012 of 02/07/2012 on Capital Market Principles (**Regulation on Capital Market Principles**); Regulation No. 01/2012 of 25/06/2012 on Capital Markets (Licensing Requirements) (**Regulation on Licensing**); and Regulation No. 04/2012 of 02/07/2012 on Capital Market Complaints (**Complaints Regulation**).
- 22. In general terms, this legislative package reflects a ‘light touch’, principles-based approach to regulation, rather than a prescriptive, rules-based approach.** The principles-based approach was first used in the United Kingdom in the 1990s, but has since been de-emphasized in favor of a more rules-based approach. The CMA should accordingly consider assessing the effectiveness of the current principles-based legislative package in protecting investors, assess whether the existing investor protection provisions are sufficient, and revise its approach, if necessary.
- 23. Licensing requirements do not currently apply to natural persons who provide investment advice or broking services.** Article 6 of the Capital Market Law requires all persons who carry out a capital market business in Rwanda to be licensed. The Regulation on Licensing provides a mechanism for broker–dealer firms to apply for a license.²⁰ The CIS Law requires promoters and dealers of CISs, and asset managers, to be licensed, and the scheme itself must also be registered.²¹ However, there does not appear to be a requirement for salespersons or investment advisors employed by broker–dealer firms to be licensed in their individual capacity. Similarly, there are no training or qualification requirements for salespersons or investment advisors. The Capital Market Law requires licensed persons to hire only ‘qualified’ persons, but there is no definition as to the characteristics of a qualified person.

²⁰ Regulation on Licensing, Article 10.

²¹ CIS Law, Articles 5, 7, 10.

- 24. The Capital Market Law contains obligations relating to the privacy of personal information, but their application to capital market firms is unclear.** Article 49 sets out privacy obligations that apparently apply to governmental agencies that have obtained investors' personal information in the course of their duties. However, it is not clear if this provision is applicable to capital market firms. As noted above, there are no privacy or data protection laws of general application in Rwanda.

Key Recommendation(s)

- 25. The CMA should assess the extent to which the current principles-based legislative package results in compliance.** Should there be an increase in the number of sales violations, erroneous filings with the CMA or restatements of annual account statements, the CMA should consider whether a more detailed, rules-based regulatory approach would result in better compliance.
- 26. Consideration could be given to including additional investor protection provisions in the existing laws and regulations.** For example, provisions could be added regarding the notification of investors of their withdrawal rights and associated fees, and strengthening the CMA's enforcement powers. At present, the Capital Market Law gives the CMA the right to conduct investigations if there are justifiable reasons to do so and it may request information from any licensed or authorized person as needed to carry out its functions. Consideration could be given to amending the rules to allow the CMA to compel any person, not just those who are licensed or authorized, to provide information to assist it with any ongoing investigations.
- 27. Natural persons who are employed by firms as salespersons or investment advisors should be required to be licensed individually and meet minimum competency requirements.** The Capital Market Law (and relevant regulations) should be amended to clarify that licensing requirements also apply to salespersons and investment advisors in their individual capacity. The Capital Market Law and the Regulation on the Conduct of Business should also be amended to define the characteristics of a '*qualified person*' and introducing minimum training requirements. Consideration could also be given to introducing a competency examination for such individuals as part of the licensing process.
- 28. The Capital Market Law should be amended to provide for the confidentiality and security of investors' personal information when held by capital market firms.** Consideration should also be given to introducing penalties for the disclosure of confidential, restricted information in relation to investors by non-government entities (e.g. capital market firms include broker-dealers and investment advisors).

C. Transparency and Consumer Disclosure

- 29. Specific disclosure requirements can help create an informed consumer marketplace, enable product comparisons, encourage competition and promote financial inclusion.** It is, however, important that any new requirements in this regard are proportionate in the sense of reflecting the risks of the relevant activity and the literacy/capability level of the relevant consumers, and do not impose costs which outweigh the benefits.

Private Pensions Sector

- 30. Disclosure requirements are well covered in the Pensions Law and Draft Pensions Regulation.** The requirements to disclose information regarding occupational pension schemes are adequate. Article 80 of the Pensions Law requires all pension schemes to provide members with information on the status of their scheme, its duties, decisions taken in relation to members and their rights under the scheme. Information that must be provided in the scheme rules is prescribed by the Pensions Law and elaborated in further detail in the Draft Pensions Regulation. Article 43 of the Pensions Law requires all information to be written in plain language in Kinyarwanda, French and English.

- 31. The Draft Pensions Regulation also prescribes the minimum information that must be provided to a scheme member.** This includes: membership benefits; the scheme design; the rights and obligations of members and beneficiaries; complaints resolution procedures; the procedure for claiming benefits; contribution rates; any covenants made by the trustees and sponsoring employers; and the names and contact information of the trustees and service providers. This information must be provided to a scheme member together with a membership number and a membership booklet summarizing the provisions of the scheme rules.
- 32. Some additional areas could be covered in greater detail in the Draft Pensions Regulation.** For example, specific transparency and disclosure provisions should be included in the Draft Pensions Regulation, including information on guarantees, fees, changes in scheme rules, and confidentiality of member information.
- 33. At present, the quality of information provided to scheme members differs between sponsoring employers in practice.** Generally, an information package is prepared by the insurance company and provided to sponsoring employers who, in turn, provide individual certificates of membership and summary information on the scheme and to employees whom they sponsor into the scheme. Some scheme sponsors provide fairly comprehensive information to employees. Others (as suggested by the anecdotal evidence of former members of occupational schemes whom the WB mission team met) pass on little information to employees, who ultimately have low levels of understanding of the benefits and functioning of the scheme. Standards should improve under the new Pensions Law and once the Draft Pensions Regulation setting minimum standards of disclosure is adopted.
- 34. Neither the Pensions Law nor the Draft Pensions Regulation contains any provisions on the selling of retail retirement products or long-term insurance products.** Currently, retail retirement products are sold mostly by insurance agents and, less commonly, by brokers. In practice, many individuals purchasing retirement products from insurers (usually through workplace contacts) do not understand the nature of the product, which are in essence guaranteed savings products with a life insurance component. It is understood that many individuals choose to cash out these products after a few years and are unlikely to be able to understand why they get back less than they had put in (due to the life insurance element they had purchased), or less than what they could have received in a bank account (due to the long-term guarantee of the return). Improvements in how information on these products is presented (and how they are sold by insurance agents and brokers) are clearly needed.

Key Recommendation(s)

- 35. As noted above, additional consumer protection provisions could be added to the Draft Pension Regulation to strengthen transparency and consumer disclosure standards.** For example, the Draft Pensions Regulation could include additional requirements on: general disclosure; the provision of information on guarantees, fees and withdrawal; the disclosure of financial position information by pension fund companies; and the selling of retirement products on a retail basis (see further below paragraph 37).
- 36. BNR should review the information that is provided by pension schemes and sponsors to scheme members under the new Pensions Law.** If necessary, BNR should provide further guidance on the disclosure requirements under the new Pensions Law.
- 37. As recommended in the 2013 CPFL Review, transparency and disclosure requirements for the retail selling of long-term insurance products and retirement products should be introduced.** This could include requirements to provide accurate information as to investment returns, prohibiting the use of misleading information in all sales materials, and guidance on maximum guarantees and how to determine profit/bonus payouts.

Securities Sector

- 38. Overall, the consumer disclosure rules applicable to the securities sector are strong.** The Regulation on the Conduct of Business requires firms to disclose key information so that the client is *'reasonably able to understand the nature, costs and risks of those services and is able to take an informed investment decision.'*²² This includes information about *'the regulated activities that [the firm] is permitted to undertake and the activities that it does undertake', 'the nature of those services and the risks associated with those services', and 'the charges or fees which are payable for its services or in relation to the capital markets instruments it offers'.* Firms are required to give clients a document setting out the basic services and terms of agreement with the client.²³ They are also required to provide a general description of the nature and risks of capital market instruments, *'taking into account in particular the client's status as a private or professional client',* and the nature and risks of the specific type of instrument in sufficient detail to enable clients to take an informed investment decision.²⁴
- 39. There are no specific disclosure requirements for investment advisors.** For example, there is no requirement for investment advisors to disclose whether they are registered in another capacity and whether the advisor deals with the client's account in the second registered capacity. Investment advisors are not required to disclose whether the financial instruments they recommend are held in their own account or by a related party. There are also no KFS requirements for investment advisors in relation to each product or service that is being offered.
- 40. Other disclosure provisions could also be enhanced.** For example, there is currently no requirement for the preparation of standardized, summary KFSs for CISs (although many of the elements usually contained in a summary KFS are already required to be disclosed in different forms). The prospectus requirements for CISs are also very general. Moreover, there is no requirement for an investment advisor to give prospective and existing clients a KFS for each product or service that is being offered.

Key Recommendation(s)

- 41. The Regulation on the Conduct of Business should be amended to require summary KFSs for CISs and investment advisory services.** In addition, policies and practices on frequent trading and inducements from service providers should be disclosed. The full nature of the investment advisor's relationship with the client should also be disclosed.
- 42.

D. Business Practices

- 43. A key consumer protection concern is that financial service providers, and their staff and other intermediaries, do not engage in fair business practices.** Specific issues in this context include proper training of retail sales officers and other intermediaries, product suitability advice, responsible lending standards, misleading and deceptive advertising and sales practices, tying and bundling of different types of financial services and products, unfair contract terms, cooling-off periods and debt collection practices.

Private Pensions Sector

- 44. Pension management companies currently work with sponsoring employers to provide occupational pension schemes and do not advertise to the public.** Relationship between occupational pension schemes and sponsoring employers are usually built through brokers, or directly through the marketing department of the occupational pension schemes. Retail retirement products are usually sold to consumers by insurance agents and brokers, and products are commonly sold through

²² Regulation on the Conduct of Business, Article 5.

²³ Regulation on the Conduct of Business, Articles 5, 11, 17.

²⁴ Regulation on the Conduct of Business, Article 13.

workplace contracts. For example, the largest provider of retail retirement products confirmed that most of the contracts had been signed with teachers at schools.

- 45. Issues relating to the selling of insurance products that were raised in the 2013 CPFL Review also apply to the selling of retail retirement/long-term savings products by insurance companies.** Retirement and long-term savings products may involve significant investment decisions due to the fact that these are usually guaranteed savings products with a life insurance component. However, it appears that these products are not currently well-understood by consumers. As noted above, most individuals choose to cash out these products after a few years and are unable to understand why they get back less than they had put in or less than what they could have received in a bank account.

Key Recommendation(s)

- 46. BNR should undertake a review of the private pensions sector.** As the private pensions sector has been unregulated until now, BNR should complete a thorough stock take of the private occupational pension funds that are currently operating, as well as the retirement products that are being sold on a retail basis, to gain an improved understanding of the types of retail product that are being offered and how they are being sold. It would also be helpful to collect additional information on the number and nature of the funds, membership and asset data, and performance and fee information. These efforts would complement the recommendations above for BNR to consult with industry in relation to obligations under the new Pensions Law which will apply to both the RSSB and complementary occupational pension schemes.
- 47. The recommendations of the 2013 CPFL Review on the selling of insurance products should be implemented with respect to the selling of retirement/long-term savings products on a retail basis.** Of particular importance are the recommendations concerning the provision of accurate information on investment returns, the disclosure of commissions, customer suitability requirements and obtaining client acknowledgements as to the receipt of financial advice. These recommendations could be implemented by way of additional provisions on the selling of pension products in the Draft Pensions Regulation (see above paragraph 20).

Securities Sector

- 48. The laws and regulations for the securities sector adequately address most business practices, but there are still some matters of detail to be covered.** Topics concerning record-keeping, customer notification, segregation of assets, sales practices, fraud and other basic provisions are covered. However there is no coverage of issues such as: distance-selling, high-pressure sales tactics, the omission of material facts during a sales presentation (e.g. concerning the level of risk in an investment), the action that a firm should take if a client wishes to enter into a transaction against the advice of the firm. There are also no specific requirements on the prompt payment and transfer of funds. Finally, although the Regulation on the Conduct of Business requires records relating to a firm's business and dealings with clients to be maintained for 10 years,²⁵ it does not specify the types of records that must be retained.

Key Recommendation(s)

- 49. The Regulation on Conduct of Business should be amended in several respects.** For example, it should be amended to include: a requirement for funds to be transferred promptly to a client's account, or to another brokerage account, upon a client's request; minimum record-keeping requirements (including details on the types of records that must be retained); rules on the actions that a firm should take if a customer wishes to engage in an action against the advice of the firm, or if the transaction is client-initiated; and more robust prohibitions against the fraudulent sale of securities to investors.

E. Complaints Handling and Dispute Resolution

- 50. One of the key pillars of a robust system of financial consumer protection is to provide easily accessible, well-known and free recourse mechanisms for consumers who have a complaint about a financial product or service.** Similarly, there is a need for an independent, transparent, accessible and, ideally free, external dispute resolution body.

Private Pensions Sector

- 51. The new Pensions Law and Draft Pensions Regulation contain provisions relating to dispute resolution and member complaints.** In particular, pension scheme rules and contracts for individual pension accounts are required to include provisions dealing with the manner in which disputes are to be resolved.²⁶ Pension fund members and their beneficiaries have a right to appeal the decision of a pension scheme relating to a complaint by making a written request for the decision to be reviewed by the relevant trustee board.²⁷
- 52. To date there are no known examples of disputes concerning pensions which have been escalated to external arbitration or court proceedings.** Pension disputes mostly involve administrative issues relating to records, contribution collection and benefit payments. Currently, most such disputes are handled internally by the relevant corporate sponsor's human resources department and pension providers. However the need for external dispute resolution in relation to pensions may change once private pensions become more prevalent. The Office of the Ombudsman in Rwanda has responsibility for dealing with disputes concerning private pensions under new arrangements whereby it assumes responsibility with respect to all financial sector disputes. However, the Office of the Ombudsman does not currently have the capacity or the expertise to handle disputes concerning pensions.

²⁵ Regulation on the Conduct of Business, Article 28.

²⁶ Draft Pensions Regulation, Articles 4(a)(xxiii), 26(a)(xxviii).

²⁷ Pension Law, Article 87.

53. There appear to be basic requirements on complaints-handling that apply to insurance companies and brokers that sell retirement products to individuals. Under the Market Conduct Regulation, insurers are required to have an internal dispute resolution process that addresses policyholders' complaints in a timely and fair manner, and to communicate the process and procedures to policyholders. However, it is unclear whether these rules apply to complaints by non-policyholders. Brokers must comply with certain basic requirements under the Code of Practice for Insurance Brokers, set out as Appendix I to the Market Conduct Regulation (**Insurance Brokers' Code of Conduct**). These include requirements for complaints to be accepted by phone or in writing, and to have a system for recording and monitoring complaints.

Key Recommendation(s)

54. The financial sector team at the Office of the Ombudsman should be included in any pension-specific consumer protection training. Additional resources would also assist the Office of the Ombudsman in dealing with the escalation of complaints by pension scheme members as occupational pension schemes become more popular (as well as with complaints from the financial sector more broadly).

55. BNR should include a review of internal and external dispute mechanisms in its supervisory oversight as it develops. For example, it could review how internal dispute resolution processes and procedures are made known by pension funds to members. These observations should be included in on-site and off-site supervisory manuals.

Securities Sector

56. The Regulation on the Conduct of Business has extensive provisions on the establishment of internal complaints-handling procedure by firms. All firms are required to have an internal complaints-handling system for existing and prospective clients.²⁸ Firms are required to inform their clients of the procedure, which must address how to file a complaint and the actions a client can take if the firm does not address the complaint to the client's satisfaction. As a condition of licensing, capital market firms must have effective arrangements for investigating customer complaints, maintain a complaints log and to provide the log to the CMA on request.²⁹

57. Investors may also lodge complaints against capital market firms (and against the CMA) with the CMA's Complaints Committee. Under Article 3 of Complaints Regulation, complaints should first go through internal complaints-handling processes before being lodged with the Complaints Committee, but the CMA has stated that investors may, at least currently, file a complaint directly with the CMA at first instance. If an investor is dissatisfied with the decision of the CMA Complaints Committee, they may appeal to the statutorily created Independent Review Panel at the CMA.³⁰

58. There is potential overlap between the functions of the CMA Complaints Committee and the Independent Review Panel and those of the Office of the Ombudsman. Under Article 4 of Law No. 76/2013 of 11/9/2013 Determining the Mission, Powers, Organization and Functioning of the Office of the Ombudsman (**Ombudsman Law II**), the Ombudsman is authorized to receive complaints in regards to private institutions, which would include securities firms. Although the Office of the Ombudsman should refer complaints relating to securities matters to the CMA as the specialist agency in these matters, the complainant can return to the Office of the Ombudsman if the CMA has neglected the matter.³¹ The Office of the Ombudsman can then request that the CMA take specific action, impose specific sanctions or even act as an institution with powers of the Judicial Police. This could create conflict with the CMA if the CMA determines there is no substance to the complaint.

²⁸ Regulation on the Conduct of Business, Article 29.

²⁹ Regulation on Licensing, Article 7(d).

³⁰ Complaint Regulation, Article 19.

³¹ Ombudsman Law II, Article 8.

Key Recommendation(s)

- 59. The roles of the CMA's Complaints Committee, its Independent Review Panel and the Office of the Ombudsman should be clarified with respect to capital market disputes.** If the Office of the Ombudsman is indeed to have jurisdiction over capital markets disputes, the CMA and the Office of the Ombudsman should also enter into an MoU to mitigate conflict between the enforcement decisions of each body. Additionally, as with complaints relation to pensions, there is a need to strengthen the resources and capacity of the Office of the Ombudsman concerning capital markets matters.

F. Financial Literacy/Capability

- 60. As a complement to a strong financial consumer protection framework, it is important to have high levels of financial literacy/capability so that consumers have the necessary knowledge and understanding to make informed decisions, and to help meet financial inclusion targets by building trust in the financial sector.** For instance, any regulations that require financial institutions to disclose, clearly and fairly, the key information on terms and conditions associated with their products and service will not affect a consumer's behavior if the consumer does not understand why it is important to read disclosure documents or if they fail to understand the information contained in these documents. Likewise, any requirement for financial institutions to have standardized procedures for dealing with consumer complaints will be ineffective if consumers are not aware of their rights and the available complaints mechanisms or if they prefer not to take action to deal with a complaint. Financial literacy is especially important in an environment where there are high levels of innovation in the design and delivery of financial products.

Private Pensions Sector

- 61. No financial literacy campaigns or surveys have yet been conducted on pensions at either the national or industry level.** However, the introduction of the new Pensions Law provides a good opportunity to launch a public awareness campaign for the sector.

Key Recommendation(s)

- 62. BNR is encouraged to launch a media strategy promoting public awareness on the new Pensions Law.** The media strategy should aim to explain the advantages of occupational pension schemes and encourage more employers to offer these benefits to their employees. At the same time, the strategy should aim to make consumers aware of their rights as members of pension funds. The strategy should also educate consumers about the importance of an insurer's financial strength.
- 63. This public awareness campaign should be coordinated with MINECOFIN in the context of implementing the NFES.** Continued support should be given to the NFES as part of Rwanda's FISF program.

Securities Sector

- 64. Low financial literacy levels with respect to securities matters in Rwanda is regarded as one of the primary impediments to the growth of the capital markets.** The CMA and RSE are making considerable efforts to educate the general public and companies on the benefits of the capital markets. The CMA considers public education to be one of its key roles and spends considerable resources on this activity. There is a focus on both providing financial literacy training to individuals and to companies that would be appropriate for RSE listing, especially SMEs. This is appropriate at this stage of market development. Relevant activities have included public education and awareness programs in the form of workshops, print media articles, radio and television shows, and the annual 'Capital Market University Challenge'.³²

³² See Capital Market Authority, *Annual Report & Financial Statements 2013* (2013) p 23, available at <http://www.cma.rw/sites/default/files/fa%20cma%20annual%20report%20%202012_2013.pdf>.

65. It is important that the CMA and RSE provide unbiased market information for investors regarding the risks and benefits of investing in the capital market. At present, aside from the educational programs noted above which promote the benefits of investing in the capital markets, there is limited dissemination of market information (such as information on monthly market activity, information about the types of financial instruments that are available, and filings by listed companies) due to the small size of the market. It is important that the CMA and RSE provide such market information as the market develops, as well as clear, unbiased information about both the risks and benefits of investing in the capital markets (and not simply the benefits).

Key Recommendation(s)

- 66. The CMA and RSE should aim to provide further education to members of the media on issues relating to the capital markets and investor protection.** The CMA should continue to conduct workshops for journalists to encourage them to cover securities issues in their reporting.
- 67. The CMA and RSE should provide, in an unbiased manner, more market information about both the risks and benefits of investing in the capital markets.** Such market information could include: complete daily and monthly analyses of market activity going back at least five years; information sheets regarding the different types of financial instruments on the market (to be made available on the CMA and RSE websites, and in hard copy); and all filings made by listed companies, intermediaries and mutual funds. All information should be provided in a clear format.
- 68. The securities sector should be included in the next financial capability survey, if the market has developed sufficiently to justify it.**

Annex: Summary of All Recommendations

This is a high level summary list of all recommendations resulting from the 2015 CPFL Review (i.e. not just the High Priority recommendations). See Volume II of the 2015 CPFL Review for details of these recommendations.

To the extent that the 2015 CPFL Review restates recommendations contained in the 2013 CPFL Review, these recommendations have not been included in the list below.

Table 4: List of Overall Recommendations

SECTOR	RECOMMENDATION	RESPONSIBILITY	TERM*
INSTITUTIONAL ARRANGEMENTS			
Pensions	Conduct capacity building on consumer protection supervision aspects of the new Pensions Law for BNR, and general awareness for other institutions with relevant financial sector responsibilities (e.g. CMA), the Office of the Ombudsman and consumer associations (e.g. ADECOR).	BNR	ST
	Develop training for trustees.	BNR	MT
Securities	Complete CMA's supervisory and regulatory procedures.	CMA	ST
	Form industry associations to regulate the industry and advocate for members of the association as capital markets in Rwanda continue to grow.	Various subsectors of the securities sector	MT
	Increase CMA resources and capacity to supervise new investor protection rules as capital markets in Rwanda become more active.	CMA	LT
	As the capital market develops, there should be communication and consultation between BNR and the CMA in relation to supervision of banks which distribute, and advise on, securities and the MoU between BNR and CMA should be reviewed and amended as necessary for this purpose.	CMA, BNR	LT
LEGAL AND REGULATORY FRAMEWORK			
Pensions	Conduct industry consultation with existing occupational plan sponsors (i.e. HR representatives of employers) and pension scheme providers to explain the new Pensions Law, the implications for service providers and stakeholders (e.g. the roles and responsibilities of trustees, the requirement to appoint custodians) and the standards that BNR expects.	BNR	ST
	Meet with life insurance companies and ASSAR to clarify the new marketing and selling obligations that apply to the sale of retirement products to individuals.	BNR	ST
	Provide guidance on maximum guarantees and how to determine profit/bonus payouts.	BNR	ST
	Add the following consumer protection provisions to the Draft Pensions Regulation: <ul style="list-style-type: none"> The regulator may introduce trustee training requirements; Sponsoring employers should be required to designate an HR representative to cover pension scheme issues; Regulation around the selling of pension products and/or notification that provisions from other financial sectors 	BNR	ST

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	<p>apply;</p> <ul style="list-style-type: none"> • Regulator should be given powers to provide guidance on maximum guarantees, and the distribution of profits and bonuses; • Members should be required to be notified of changes to scheme rules; • Scheme rules should be required to include disclosure of fees charged, the existence of any guarantees, and information on withdrawal and transfer arrangements; • Confidentiality of member information should be made explicit (including for cross-selling purposes within financial groups); • A minimum cooling-off period (one week is recommended) should be specified when selling retirement products (as recommended in the 2013 CPFL Review); • Requirements for pension fund management companies to disclose their financial position; • All information provided to members (sales material, contracts, annual statements etc.) should be written in clear and easily understood language, using a readable font. 		
	Introduce training for HR staff responsible for pension issues.	BNR	MT
	Publish information on the pensions sector at least annually and in an annual report format.	BNR	MT
	Review international experience in KYC rules applicable to pensions and introduce regulations and/or provide guidance if a retail market develops in future.	BNR	MT
	Develop regulations on investment choice if providers start to offer products that allow members to choose between accounts, products and services in future.	BNR	LT
	Amend the Regulation on the Conduct of Business to define the meaning of <i>'firm'</i> .	CMA	ST
	Amend the Regulation on the Conduct of Business to require disclosure of any restrictions on account transfers and the procedures for closing an account.	CMA	ST
Securities	<p>Introduce the following provisions into the Capital Markets Law:</p> <ul style="list-style-type: none"> • Provisions on the privacy and confidentiality of customer information held by firms; and • Penalties for the disclosure of confidential, restricted information in relation to investors by non-government entities such as a broker or adviser. 	CMA	ST
	Amend the Regulation on the Conduct of Business to introduce licensing and qualification/training requirements for natural persons who act as salespeople or advisors for investment firms.	CMA	MT
	Monitor the extent to which the principles-based regulatory approach to investor protection in the capital markets in Rwanda results in compliance, and revise approach if necessary.	CMA	MT
	Introduce provisions in the Capital Markets Law and relevant regulations that define the permissible scope of the sharing	CMA	MT

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	of customer information (e.g. credit information, and income and purchase history), if the decision is made to share such information between commercial entities.		
Cross-cutting	As per 2013 CPFL Review, consider amending the CCP Law to clarify that it does not apply to financial services	BNR, MINECOM	LT
	Introduce a specific data protection law to ensure that personal data receive consistent and specific protection across all financial services sectors.	BNR	LT

TRANSPARENCY AND CONSUMER DISCLOSURE			
Pensions	See recommended provisions for inclusion in the Draft Pensions Regulation (see above section on Legal and Regulatory Framework).	BNR	ST
	Review the information that is provided by pension schemes and sponsors to scheme members and provide further guidance on disclosure requirements under the new Pensions Law if necessary.	BNR	MT
	Study international examples of KFS for pension products, develop a form of statement suitable for use in Rwanda and require pension fund management entities and plan sponsors to provide such information to occupational fund members.	BNR	MT
Securities	Introduce requirement for firms to disclose to investors any outsourcing or delegation arrangements.	CMA	ST
	Amend the Regulation on the Conduct of Business to require disclosure by firms of the status of their licenses.	CMA	ST
	Amend the Regulation on the Conduct of Business to require firms to disclose all service providers that can have an impact on a client's account.	CMA	ST
	Amend the Regulation on the Conduct of Business to require: <ul style="list-style-type: none"> • CISs to provide summary KFSs to new investors; and • Disclosure of policies and practices on frequent trading and inducements from service providers. 	CMA	ST
	Introduce requirement for investment advisors to give prospective clients summary KFSs regarding their services and to disclose the nature of the advisor's relationship with the client.	CMA	ST
	Amend the Regulation on the Conduct of Business to include the minimal content requirements for a contract note.	CMA	ST
	Amend the Regulation on the Conduct of Business to provide for statements to be made available on a periodic basis (e.g. quarterly or monthly) relating to the activity in the client's account and relating the format and readability requirements to such statements.	CMA	ST
	Amend the Regulation on the Conduct of Business to require disclosure of any restrictions on account transfers and the procedures for closing an account.	CMA	ST

BUSINESS PRACTICES			
Pensions	Complete a thorough stocktake of complementary occupational funds that are currently operating.	BNR	ST
	Organize a workshop for stakeholders on the roles and responsibilities of different service providers (including custodians) under the new Pensions Law.	BNR	ST
	Complete a survey of the long-term insurance products (e.g. retirement products) that are being sold on a retail basis.	BNR	ST
	Improve information collected on the pensions sector, including the number and nature of funds, membership and asset data, and performance and fee information.	BNR	MT
	Implement recommendations of the 2013 CPFL Review on the selling of insurance products to the selling of retirement/long-term savings products (e.g. concerning accurate information on investment returns, disclosure of commissions, customer suitability requirements and obtaining client acknowledgements as to the financial advice received).	BNR	MT
	Introduce training for HR staff responsible for pension issues.	BNR	MT
	Review qualifications and information provided by pension consultants employed by external managing entities.	BNR	LT
Securities	Amend the Regulation on the Conduct of Business to set out the actions that should be taken by a firm in the event that a customer wishes to engage in a transaction against the advice of the firm.	CMA	ST
	Amend the Regulation on the Conduct of Business to contain a requirement that fund be transferred promptly to a client's account, or to another brokerage account, upon a client's request.	CMA	ST
	Amend the Regulation on the Conduct of Business regarding minimum record-keeping requirements (e.g. the types of records that must be retained).	CMA	ST

COMPLAINTS-HANDLING AND DISPUTE RESOLUTION			
Pensions	Implement requirement for insurers and brokers to inform consumers about the existence of the internal dispute resolution scheme, as well as processes for accessing it, both in marketing materials about each product (including written materials and on the company's website) and at the time a complaint is made.	BNR	ST
	Implement detailed requirements regarding the timeframes within which a response should be provided to the consumer after the initiation of a complaint.	BNR	ST
	Implement requirements for the insurer or broker to report on their scheme and to monitor trends in complaints-handling.	BNR	ST
	Include a review of internal and external dispute mechanisms (including how these mechanisms are made known to members) in BNR's supervisory oversight as it develops (e.g. it should be noted in off-site, on-site supervisory manuals).	BNR	MT
	Monitor complaints data received from pension scheme providers and service providers, and publish statistics as appropriate.	BNR	MT
	Enhance resources and capacity of the Office of the Ombudsman to cover the handling of pensions-related disputes.	Office of the Ombudsman	MT
Securities	Clarify overlap between the roles of the CMA's Complaints Committee, the Independent Review Panel and the Office of the Ombudsman regarding capital markets disputes. The CMA and Office of the Ombudsman should enter into an MoU regarding their enforcement efforts.	CMA/Office of the Ombudsman	ST
	Set out strong enforcement measures in Regulation No. 06/2012 of 02/07/2012 on Capital Market Enforcement Guidance (Regulation on Enforcement Guidance) that apply where the decision of the CMA Complaints Committee is not implemented.	CMA	ST
	Introduce requirements for firms to disclose to investors the existence of compensation schemes and how to make claims under it.	CMA	ST
	Amend the Regulation on the Conduct of Business to require firms to send their complaints log to the CMA on a regular basis (e.g. monthly).	CMA	ST
	Amend the Regulation on the Compensation Scheme to provide for the speedy resolution of claims within a prescribed timeframe in order to provide for a prompt payout to investors.	CMA	MT

FINANCIAL LITERACY/CAPACITY			
Pensions	Launch a media strategy on the new Pensions Law, to be coordinated with the NFES, with the aim of explaining the advantages of occupational pension schemes and encouraging more employers to offer these benefits to their employees.	BNR/MINECOFIN	ST
	Continue support of the NFES as part of Rwanda's FISF program.	BNR	LT
	Conduct an education campaign regarding the importance of an insurer's financial strength.	BNR	LT
Securities	Educate members of the media on issues relating to the capital markets and investor protection, and encourage reporting on these issues.	CMA/RSE	MT
	Provide more market information, in an unbiased manner, about the risks and benefits of investing in the capital markets.	CMA/RSE	MT
	Provide more information in a clear format on the main types of financial products and services to help investors make investment decisions as the market grows.	CMA/RSE	MT
	Include the securities sector in the next financial capability survey, if the market has developed sufficiently.	CMA	LT