

**Da Afghanistan Bank**  
**Financial Supervision Department**

**Financial Customer Protection Regulation**

Year 2019

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## Chapter 1

### General Provisions

#### Authority

**Article 1:** This regulation is pursuant to the authority granted to Da Afghanistan Bank by Article 74 and Article 177 of Banking Law of Afghanistan for the purpose of financial consumer protection.

#### Implementation Area

**Article 2:** This regulation shall be applicable on all banks, Electronic Money Institutions (EMI), and other licensed financial institutions (hereafter shall be referred to as Financial Institutions).

#### Goals

**Article 3:** Following goals are set out for this regulation:

1. Protect financial customer rights
2. Built public confidence in financial institutions of the country
3. Provide adequate information (charges, benefits, risks) of financial products and services to customers.
4. Ensure transparency in provision of financial products and services
5. Data Protection and Privacy
6. Fair treatment and business conduct
7. Healthy competition and innovations in providing financial products and services
8. Improvement in quality of financial products and services
9. Creation of Internal Compliant Redress and Dispute Resolution Mechanism section
10. To increase the outreach of financial services and use of such services

#### Definitions

**Article 4:** Terms used in this regulation have following definitions:

1. **Proportionate Disclosure:** Proportionate disclosure of information includes benefits, risks, charges and terms for use of financial products and services.
2. **Disclosure of Information:** Disclosure of information means provision of adequate and proportionate information for financial products and services to customers prior to entering into contract, at the time of contract and after contract is signed.
3. **Pre-contractual Disclosure:** Provision of adequate and proportionate information for financial products and services and providing their details to customers prior to sale of products so that customers could take appropriate and informed choice of product based on information provided by financial institution and specify financial services and products according to their needs.
4. **Contractual Disclosure:** Provision of adequate and proportionate information by financial institution for financial products and services and providing their details to customers when products is sold/contract is signed so that customers become aware of key features of the product, terms of use of products, their rights / obligations and rights / obligations of financial

institute and understand them correctly and completely based on information provided by financial institute.

5. **Post-contractual Disclosure:** Provision of information such as bank statement, specifications of product and other necessary information after sale of product to customer so that customer becomes fully aware of specifications and details of use of the product.
6. **Branch:** Location related to bank in which all or part of banking operations are carried out.
7. **Agent:** Refers to an entity defined in Electronic Money Institutions (EMI) regulation and Branchless Banking Regulation.
8. **Internal Dispute Resolution Mechanism.** Refers to a section created / established by financial institutions to receive and resolve financial disputes of customers.
9. **Unfair Business Conduct:** Business conduct is said to be unfair when contract terms or sale of products by financial institutions is designed and /or transactions are carried out in such a way which affects customer rights. Unfair business conduct includes but not limited to ambiguity in terms of contract, lack of transparency in provision of information at all stages of business communications with customer, lack of transparency in provision of proportionate information, conditional sales of the product, treating customer with discrimination, imposing hidden bank charges, limiting financial institution's responsibilities with respect to unskilled and careless performance in providing financial products and services, deceptive mistakes, collection of debt by force and harassment and misuse of lack of awareness of customer.
10. **Cooling-off Period.** Refers to a period of time given by financial institutions following a purchase of product when the purchaser may choose not to continue using product, and terminate the contract before the actual period of use is expired. Avoidance of use of product could be due to reasons such as low quality product, non-performance of the product to meet customer needs, convenient access to use of product is not available (such as ATM and Pass machines) and due to any reasons when customer decides not to avail the product.
11. **Free of charge financial transactions.** Refers to financial transactions carried out without any fees/ charges based on prevailing laws, regulations and circulars of DAB or as per internal policy of financial institution. These transactions are for cash deposits, cash withdrawal from branches of a financial institution or from ATM, cash withdrawal or transfer from one account to another of same financial institution and other transaction that could be classified under this heading.

## Chapter 2

### Customer Protection

#### Principles of financial customer protection

**Article 5.** Principles of financial customer protection include following for the purpose of this regulation.

1. Disclosure and Transparency
2. Fair treatment and business conduct
3. Data Protection and Privacy
4. Creation of internal section for Internal Dispute Resolution Mechanism
5. Enhancing financial knowledge of customers

#### **Disclosure and Transparency**

##### **Article 6.**

**(1)** When requested by customers, financial institutions are required to provide appropriate, accurate and updated information about products or services in Dari or Pashto languages based on customer's need. The information provided should be simple, understandable and transparent at all three stages (pre-contractual disclosure, contractual disclosure and post contractual disclosure), so that customer fully understands and makes informed choice of product.

**(2)** Following are stages of disclosure:

1. **Pre-contractual Disclosure:** All kinds of tools, information and forms related to a product or financial service should encompass adequate and appropriate information in order to clarify benefits, risks, charges/fees and conditions of financial product or service to the customer. Pre-contractual Disclosure should include at minimum but not limited to following:
  - i. Disclosure of terms of use of financial products and services required by the customer in printed and verbal forms.
  - ii. Providing brief specific features of product in simple wordings, which should be understandable and readable in printed form.
  - iii. Providing printed information about all types of fees, costs and minimum amount required to open a bank account.
  - iv. Printed details of free of charge financial transactions for required amounts.
  - v. Duration of use of financial products and services
  - vi. In case of loans, information about details of loan terms, interest rate and type of interest such as flat rate or floating rate
  - vii. Timeframe for repayment of loans.
  - viii. How and through which procedures interest on loans, credit cards and similar products are calculated.
  - ix. Financial institutions are required to prepare Disclosure Form Product for each of their products.
  - x. Financial institutions can include details of Para (2) 1 of this Article in printed Disclosure Form Product (contents will be provided through circular) for financial products and provide them to requesting customer so that customer could easily

compare them with fees and costs charged by other financial institutions and thereby select the best provider of products with regard to terms, and appropriate charges.

- xi. Para (2) (1) (vii to viii) of this Article are not applicable to Electronic Money Institutions.
  - xii. Printed and electronic disclosure forms for citizens of the country should be made in official languages of the country.
2. **Contractual Disclosure:** At this stage, financial institutions are required to consider following minimum requirements at the time of sale of financial products and services (while signing contract) and clarify them to customers:
- i. All key features of required financial products and services by customer are included in contract.
  - ii. All major rights and obligations of customer as well as rights and obligations of financial institution for required product by customer are clearly defined in contract which are unchangeable.
  - iii. All fees, costs, interest rate, interest (flat / floating), method of calculating interest, risks associated with products and terms of use of products should clearly be defined in contract.
  - iv. Contents of contract should be simple and understandable and use of vague terms/phrases should be avoided.
  - v. At signing stage of contract, financial institution is required to verbally explain all contract terms and features of financial product to the customer.
  - vi. A copy of contract should be made available to customer in written and electronic form and customer should be informed to keep contract in a safe place.
  - vii. Financial institutions are required to make available a simple, understandable and effective guide (printed and electronic) to customer regarding how to safely use their required financial products and services. For products such as mobile money and different type of payment cards, this guide should also include application method, maintenance, safety points, and PIN Codes. Customer should be informed about existence of Internal Compliant Redress and Dispute Resolution Mechanism section. Printed/ electronic guide detailing procedures for reporting complaints / objections should be made available to customers.
  - viii. Financial institutions are required to make available printed and electronic copy of this regulation to customers.
  - ix. Sharing other necessary information with customers as deemed necessary by Financial Institution.
  - x. For para (2) (2) (vi to ix) of this Article, if customer does not have email address or unable to access his/her email, provision of printed copies of contract and guides will suffice. Similarly, if accepted by customer, financial institution can solely rely on providing electronic copies to customer.
  - xi. All banks and especially those banks which provide banking application through mobile phones are required to integrate this regulation in their websites and create space for this regulation in menu of mobile banking application.
3. **Post-contractual Disclosure:** At this stage, financial institutions are required to regularly provide following minimum information to customers free of charge:

- i. Sending text messages by financial institutions after electronic payments are made (mobile and internet banking, and mobile money) to inform customer about type of transaction carried out such as whether transaction was successful or unsuccessful, amount, fees, details of receiver and other related details.
- ii. If mobile money electronic transaction is used, financial institution is required to send One Time Password (OTP) code through text message or email to enable the customer to make electronic transaction after entering the code.
- iii. OTP is a four or six digit one time password which enhances cyber security of financial transactions carried out in electronic form.
- iv. Provision of bank statement on regular or periodic basis and when required by customer.
- v. Provision of information related to change in fees, costs, terms and period of use of financial product or services in printed/ electronic form, mobile text message or through other available resources.
- vi. Provision of printed and or electronic statement of Closing Period Balance especially for loans.
- vii. Bank statement should contain all types and values of transactions and their dates, fees deducted, interest rate (for institutions granting loans) and opening and closing balances for the period.
- viii. A copy of printed and electronic receipt after transactions are carried out such as cash withdrawals, cash deposits in account, local and international cash transactions and similar information be made available to customer.
- ix. In addition to providing printed banks statements based on customer request, financial institutions are required to provide complete online access to bank statements for requesting customers which should be free of cost, simple and secure. It should be applicable within six months from issuance of this regulation.
- x. Bank statements and transaction receipts are required to be prepared in one of customer's required languages i.e Dari, Pashto and English. Financial institutions are required to integrate changes in language options of Dari, Pashto and English in their reporting system within 1 year from issuance of this regulation.
- xi. Sharing other required and necessary information.

## **Advertisements**

### **Article 7:**

Financial institutions are required to comply with following at minimum in their advertisement activities:

1. Advertisements should not contain incorrect, unrealistic, illusive and deceptive information.
2. Information which contributes to decision making of a customer should be included in advertisement.
3. Advertisements made for residents of the country should be presented in Dari and Pashto languages.
4. Financial institutions should have clear and appropriate policies and rulings for sales and are required to provide their services in accordance with them.

5. Based on sales policies and rulings of financial institutions, they are required to confirm that discrimination against customers, pushing customers to bottleneck condition, false sales and providing false information in sales process are not made.
6. Financial institutions are deemed to be responsible for contents of their advertisements and information.

### **Fair Treatment and Business Conduct**

#### **Article 8:**

- (1) Financial institutions and their agents are required to earnestly comply with following minimum requirements for fair treatment with customers:
  1. Fair and equitable treatment, treatment with dignity, without any discrimination against any customer on grounds such as gender, age, religion, caste, literacy, economic status and prevent unequitable business conduct with customers.
  2. Avoid including any unequitable, vague and deceptive terms in contract which affects customer rights. If terms of contract prove to be and identified as unequitable, vague and deceptive, then such terms will not have legal application and will be decided customer's favour.
  3. Avoid conditional selling (selling one product dependant on another) except for if legally and technically one product is required to be sold with another.
  4. Financial institutions should not directly or indirectly compel customers to purchase specific financial products. Financial institutions can only persuade customers for sale of specific product by explaining benefits, risks and terms for required products however, for any reasons customer's decision should not be influenced.
  5. Bank and customer's relationship are bound for contract signed between them. Financial institutions cannot unilaterally change terms and conditions of contract or terminate it, except as otherwise specified in the contact.
  6. In addition to para 5 of this part, if flat interest rate is considered in contract, banks cannot unilaterally change interest rate (increase) till completion of the contract.
  7. Terms of contract between customer and financial institutions should not contradict with provisions of prevailing laws, regulations, circulars and guides of DAB. DAB can change contract terms between customer and financial institutions in specific conditions pertaining to requirements of that time, and due to priorities for stability and transparency of the financial system.
  8. Financial institutions cannot delay or restraint from providing services to its customers without proper justification or by referring to deceptive technics.
  9. Financial institutions are required to provide cooling-off period to customers so that customer could seize and finally terminate contract from using product within specific time period (at least one month) without paying any type of fees and penalties. Cooling-off period for loans should not contradict with provisions of prevailing laws, regulations, circulars and guides of DAB. Cooling-off period is required to be mentioned in contract. It is hereby clarified that financial institutions are required to provide services normally and as per contract during the period in which customer decides to whether continue using or not willing to use financial product anymore.
  10. Financial institutions are required to determine fixed amounts as fees for transfer of funds instead of deducting percentage fees from amounts transferred. Similarly, financial institutions are required to present following choices of fees for cash transfers to customers in order to enable them to select one of the options.



- i. Deduction of fees from sender's bank account
    - ii. Deduction of fees from receiver's or beneficiary bank account
    - iii. Deduction of fees both from sender and receiver's bank account.
  11. Before transferring amount, financial institution should provide necessary information about time it will take to complete transfer i.e when beneficiary will receive the amount.
  12. If transferring amount is bounced back due to any reasons, it should be credit to customer's account without any delay and or this amount should be available to customer in cash.
  13. Fees for maintenance of different types of accounts, Debit card, Credit card, Pre-paid card, and fees for use of ATM, Pass, KIOSK and other machines should be fair. If required, DAB has the authority to change unfair fees charged due to unhealthy competition or market monopoly.
  14. If account maintenance fees is charged for different types of accounts and financial products, financial institutes can only deduct this fees from current account and if an account is classified as dormant, financial institutes cannot deduct this fees from dormant account. In case of deduction of such fees, the issue shall be decided in benefit of customer. Equal amount of fees shall be charged for financial services both by branches and agents of financial institutes.
  15. If a dormant account (due to non-usage of account) is made active, this should be done at earliest possible time when customer contacts financial institution.
  16. Before an account becomes dormant due to non-usage of account, the financial institution is required to give a prior notice of one month to customer through phone call, email, and other possible means of communication.
  17. When payments for electricity bill, sewerage fees, passport fees, driving license fees and other fees and commissions and similar payments are made to beneficiary organizations/ departments through financial institutions, the financial institutions are required to prepare and provide printed receipt to customers and inform beneficiary organization as soon as possible. If financial institutions do not provide timely report of customer payments to beneficiary organizations either intentionally or mistakenly, financial institutions shall be liable to bear any type of penalties imposed by beneficiary organizations on customers. Financial institutions are not allowed to deduct additional fees from customer accounts except for fees mentioned on payable bills.
- (2) If payments mentioned in para 1 (16) of this Article are made through mobile money and not in cash, Electronic money institutions are required to send a text message (which could be saved by customer) and if customer uses email, a copy of receipt should be emailed to customer. Electronic receipt should clearly include all important details of transaction carried out.
  - (3) Financial institutions should calculate interest on declining balance on different types of loans such as trade loans, micro credit, medium credit and large credit. Use of flat interest is not allowed on any type of loans or in any conditions. If flat rate is used, bank shall be liable to repay the difference of interest charged to customer.
  - (4) If customer repays its loan before maturity, interest agreed shall be charged for period for which loans was in use. Financial institution cannot charge interest for complete duration of contract.
  - (5) Banks and other licensed institutions of DAB which are granting loans should refrain from use of unfair means or force for collection of loans.
  - (6) Financial institutions are required to clearly describe major terms, conditions and collection method of loan in loan contract. If loan is recovered, applicable actions to be taken based on

method described in contract. Terms, conditions and collection method of loan should not conflict with provisions of laws, regulations, circulars and guides issued by DAB.

- (7) Financial institutions should develop sufficient policies and rulings in order to safeguard deposits and assets (such as valuable items, Capital Notes) of customers against misuse and local and international fraud.
- (8) Financial institutions should have sufficient policies and rulings in place, in order to resolve cases of fraud, and misuse of customer deposits and assets and ensure their implementation.
- (9) In case of loss due to fraud and misuse of customer assets maintained with financial institution, the financial institution shall compensate the same to customer except for sheer neglect on part of customer.
- (10) If customer does not intend to continue using a financial product, or if decides to use the same financial product provided by another financial institutions, the financial institution cannot pose barriers on decision of customer except if there is an outstanding liability of financial institution on customer.
- (11) Financial institutions are required to regularly monitor performance of their agents so that their agents comply with regulations and internal policies and rulings of financial institution regarding customer rights.
- (12) Relationship of financial institution with their agents should be prepared, defined and secured based on Branchless Banking Regulation. Financial institutions are required to affirm customer rights in terms of contract with their agents and stipulate legal parts of the contract in such a way as to have full authority for taking necessary measures against their agents in events of violations of customer rights by their agents.
- (13) From legal point of view, ultimate responsibility of performance, mistakes, robbery, and fraud by agents fall upon respective financial institutions.
- (14) Financial institutions are required to prepare and fix printed board for customer complaints in appropriate space visible to customers at their branches and agents locations, so that customers could easily register their complaints and obtain simple / understandable information in this regard.
- (15) Financial institutions are required to answer verification of customer's bank statements required by Consulates / Embassies as soon as possible. In case of any doubts or queries, financial institutions should contact its customer through phone call or email and after confirmation should take proper action.
- (16) ATM machines should be accessible to customers for 24 hours. If ATM machine is not functional due to technical or any other justifiable reason, customers should be informed by financial institutions through email.
- (17) If salaries, pensions and other payments are transferred to beneficiary individuals or company accounts by government, financial institutions are required to credit customer bank accounts within 1x working day after requested by government, and make payment to customer when requested.

## **Data Protection and Privacy**

### **Article 9**

- (1) Financial institutions are required to protect customer's personal information and cannot take personal benefit from financial and personal information of customers or disclose them with others except if required by law.

- (2) Financial institutions should provide written information to customers about type and date of information if shared with other financial institutions except if sensitivity and confidentiality of the issue requires alternative action based on prevailing laws and regulations of DAB.
- (3) Financial institution can share required information of customer with third party based on customer request and written consent.
- (4) .
- (5) Financial institutions should reinforce preventive secured measures for its IT system to protect customer information from hackers.
- (6) Financial institutions should ensure that only authorized officers have access to confidential information of customers and regularly confirm safeguard of such information related to customers.
- (7) Those employees of financial institutions who have access to confidential information of customers based on laws and regulations, are required to use secured (sign in) passwords in their systems or computers and regularly change these passwords.
- (8) Financial institutions are required to maintain printed and electronic records of customer documents for a period of ten years.

### **Internal Compliant Redress and Dispute Resolution Mechanism**

#### **Article 10**

- (1) Financial institutions are required to create a specific section for Internal Compliant Redress and Dispute Resolution Mechanism and develop mechanism for compliant redress and dispute resolution within six months from issuance of this regulation. The mentioned section should possess following minimum specifications and responsibilities:
  1. Financial institutions can hire small number of employees for Internal Compliant Redress and Dispute Resolution Mechanism section at early stage based on their priorities and requirements. However, after completion of one year when volume of work and number of complaints and disputes in said section will be ascertained, the number of employees shall be appropriately changed/ increased.
  2. Internal Compliant Redress and Dispute Resolution Mechanism section will be independent and separate from other banking areas of operations, business development, product design and planning, marketing, sales and customer services centre.
  3. Customers should be provided with simple and easy access to this section.
  4. All contact information with this section is required to be available at financial institution's website.
  5. This section should possess official address, contact numbers, and complaint boxes in all branches and sales offices of the financial institution.
  6. Compliant Redress and Dispute Resolution services should be provided free of cost/fees.
  7. This section is required to classify customer complaints and disputes based on sensitivity, urgency and monetary value of the case and review the case as per determined ruling. Classified complaints and disputes should be resolved within two, five, ten, fifteen and twenty working days based on volume of work.
  8. Compliant Redress and Dispute Resolution section is required to confirm receipt of complaint to customer with two days once compliant is received. The customer should also be informed about review and resolution of complaint and dispute.

9. If customer's complaint is not resolved within 20 official days with justified reason, the financial institution is required to inform customer and request for extension of time period.
  10. If customer does not agree with decision of Compliant Redress and Dispute Resolution section and agrees the case to be referred to third party, then bank is required to officially refer the case for assessment to Financial Dispute Resolution committee of DAB. If both bank and customer do not agree with decision, then the case shall be referred to court.
  11. Financial institutions are required to prepare online application and facilities of registering customer complaint within one year from issuance of this resolution so that customers could register their complaints without physical presence at financial institution.
  12. Customer complaints could be accepted through email, post, telephone (including use of Viber, Whatsapp, Telegram, Skype), complaints review section of website, hotline, and related applications.
  13. Financial institutions are required to create a database for customer complaints.
  14. List of all types of complaints and disputes along with their classification type should be recorded and maintained in database for a period of five years.
  15. Financial institutions having considerable number of customers (more than 100,000 customers), are required to establish free contact number only for receiving customer complaints so that during complete office hours complaints could be registered and reviewed for system malfunctions, inactive ATM / PASS machines, closure of branch offices during official hours, unfair treatment by employees of financial institution, and similar complaints.
  16. Compliant Redress and Dispute Resolution section will be responsible to provide detailed monthly reports of customer complaints and actions taken to internal audit department of the financial institution.
- (2) Financial institutions are required to provide necessary training to employees of Compliant Redress and Dispute Resolution section.
  - (3) At least one Customer Protection Officer should be employed at every branch of financial institution.
  - (4) Customer Service Centres of financial institutions should provide necessary awareness to customers about method of registering their complaints and provide details of contact and location of relevant section to customers.

### **Improving customer knowledge in financial Affairs**

#### **Article 11:**

- (1) Financial institutions are required to pay special attention for increase in level of awareness, information and knowledge of customers about financial affairs especially customers related to retails and female customers keeping cultural norms of the country in view.
- (2) Financial institutions are required to develop customer awareness and knowledge at the time of purchase of financial products, request for advice, filing complaints, and carrying financial transactions, and by resorting to tools such as email, website, Facebook, printed or electronic guides and brochures.
- (3) Advertisements made by financial institutions are required to be prepared keeping long term effect of awareness and knowledge of financial affairs of the people in view.

- (4)** Financial institutions are required to prepare and provide financial concepts related to their products to customers in simple, understandable and effective manner in printed and electronic forms (Dari and English languages as desired by customers).
- (5)** Financial institutions are required to create specific financial knowledge menu in their banking application for use in mobile phones, in order to improve customer's financial knowledge. It should be easy to use.

## **Chapter Three**

### **Appropriate Product and Suitable employees**

#### **Appropriate services:**

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

Financial institutions are required to consider at least following to ensure required financial services and products are provided to customers:

1. Consultation should be provided to customers regarding use of specific products such as different types of bank accounts, loans and similar products and other resembling products which can meet customer needs and provide recommendations to customers. However, financial institution cannot directly or indirectly force the customer to purchase a specific product.
2. After seeking required information from customer to ascertain financial condition and requirements of the customer, the customer should be suggested with appropriate product especially loans so that he/she is not overburdened with loan.

#### **Suitable Employees:**

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

1. Financial institutions are required to provide necessary training to their employees and agents regarding principles of financial customer protection.
2. Financial institutions are required to ensure appropriate, professional and suitable treatment of their employees as well as agents.
3. Employee's professionalism and suitability include good acquaintance with the product and services sold by the institute, familiarity with policies which secure customer rights, familiarity with sales policies and rulings of the financial institute.
4. Financial institutions are required to have clear policy on punitive actions against employees to ensure implementation of contents of this regulation as well as internal policies of the institute.

## Chapter Four

### Reporting and Miscellaneous Provisions

#### Reporting:

##### Article 14:

- (1) All financial institutions are required to quarterly report all relevant information about review of customers' complaints and resolution of disputes to DAB in a prescribed format which will be issued through a circular.
- (2) Financial institutions are required to report all documents relevant to customer complaints attached with reporting form to DAB.
- (3) DAB can impose cash penalty and take other legal actions as per law against financial institutions for incorrect, incomplete and late provision of report related to customer complaints review.
- (4) Internal Compliant Redress and Dispute Resolution Mechanism section should report identified reasons for complaint to relevant departments after classification, analysis and review of complaints so that actions could be taken to rectify and improve the situation. Reasons for complaint could be low quality, ineffective and specific feature of a product, or due to inappropriate treatment, irresponsible business conduct, inefficient services, technical issues, disclosure of customer's private information and other matters including customer protection principles.
- (5) If products and reviews of complaints by relevant sections are not rectified, Internal Compliant Redress and Dispute Resolution Mechanism section is responsible to report the issue to internal audit department of financial institution.
- (6) Internal audit departments of financial institutions are required to implement punitive measures based on para 1 of this article and reports provided by Internal Compliant Redress and Dispute Resolution Mechanism section.

#### Miscellaneous Provisions:

##### Article 15:

- (1) Financial institutions should codify their internal policy supporting customer rights in accordance with prevailing laws, regulations and DAB circulars.
- (2) Internal audit department of financial institutions are required to implement this regulation, policies for customer protection and take punitive actions, and regularly and effectively monitor operations of Internal Compliant Redress and Dispute Resolution Mechanism section on quarterly basis.
- (3) If a customer intends to close his/her account in financial institution and transfer history of transaction records to his / her account in another financial institution, financial institution is required to transfer transaction records to customer's requested account in another financial institution.
- (4) Financial institutions are required to create Account Transfer Form for customers. The mentioned form should be available at all branches and websites of financial institutions and should at least include following:
  1. Account transfer date

2. Customer's agrees to close account in previous financial institution and transfer it to other financial institution.
3. Customer's agrees to transfer account records from previous financial institution to other one. The document should be signed and stamp by financial institution which transfers account records.
- (5) Financial institution is required to complete account transfer within fifteen days after request for transfer of account is received and provide written confirmation to customer about closure of his/her account and that there is no liability against customer with previous financial institution.
- (6) If fees is charged against transfer of account, this fees should not be more than administrative expense for transfer of customer's account.
- (7) Payments could be renewed before maturity and or when requested by customer.
- (8) Financial institutions are required to prepare and fix printed board for working hours in appropriate space visible to customers at their branches and agents locations, so that customers could easily register their complaints and obtain simple / understandable information in this regard. All branches should function during working hours of financial institutions. Supervisory boards of financial institutions are required to approve internal policy for financial customer protection, sales policy and ruling, and policy and ruling for safety of customer deposits and assets.
- (9) In case of any type of violations from this regulation, cash penalties shall be imposed on financial institutions based on Article 107 and 103 of Banking Law. Type and amount of cash penalty will be clarified through issuance of circular.

#### **Effective Date of Regulation**

#### **Article 16:**

This regulation is effective upon approval by the Supreme Council of Da Afghanistan Bank and will be published in DAB's website.