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ROYAL MONETARY AUTHORITY OF BHUTAN



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PRESS RELEASE

The Royal Monetary Authority of Bhutan has spearheaded the formulation of the National Financial Inclusion Strategy (NFIS) 2018-2023 and the National Financial Literacy Strategy (NFLS) 2018-2023. The NFIS and NFLS was approved during the 139th RMA Board Meeting held on 21st July 2018.

RMA together with Financial Institutions, embarked on the journey to enhance inclusive finance to meet the aspiration of His Majesty the King following the Royal Address delivered during the 109th National day celebrations on 17th December, 2016. Formulating the NFIS and NFLS 2018-2023 are the key outcomes of the inaugural conference for Bhutan Economic Forum for Innovative Transformation (BEFIT) held in 2017 on the theme of enhancing financial inclusion in the country.

The five-year strategy documents are formulated based on a collaborative approach reflecting the importance of cross sectoral stakeholders. The strategies will guide the provision of inclusive opportunities and awareness to the unserved and underserved segments of the population.

The NFIS captures the current status of Financial Inclusion Indicators as of December 2017 as follows:

1. 64.47% of adults in Bhutan have formal savings account
2. 16.08% of adults in Bhutan have access to credit
3. 17.79% of adults in Bhutan have life insurance policy

The strategy emphasizes four strategic pillars to promote Bhutan's financial inclusion: 1) providing appropriate financial products and services, 2) financial accessibility and proximity, 3) financing for economic growth and financial literacy and consumer protection.

The Financial Inclusion and Literacy(FIL) Division will act as the Financial Inclusion Secretariat (FIS) directly under the Governor, while an NFIS Steering Committee will govern the activities supported by cross sectoral NFIS Working Groups (1. Products working group 2. Channel working group 3. Consumer Empowerment and Financial Literacy(CEFL) working group). The FIS will be responsible for the implementation of both the NFIS and NFLS 2018-2023 through multi stakeholder collaboration.

NFIS 2018-2023 will drive the broader financial inclusion agenda while the NFLS 2018-2023 is targeted to strengthen financial capabilities and empower all Bhutanese towards greater Financial Inclusion. Educating and promoting entrepreneurship, financial products and services, financial management, responsible finance, leveraging digital technologies and consumer empowerment are the key focus areas of the strategy. Some of the core activities expected are the development of the National school curriculum, stakeholder intermediaries' program engagement to target groups and making available impartial tools/resources for vulnerable segments of the society.

The strategy will be effective from 1st July, 2018 with immediate plans of re-structuring the FIL Division, setting up an NFIS Development budget, formation of NFIS Governance Groups, strategy sensitization and development of the NFIS Action Plan Framework 2018-2023.