**PRESS RELEASE**

**Launch of “Jab-chor” Platform on 13 December 2018**

1. To humbly join the nation in commemorating 12 Years of His Majesty’s benevolent reign, the Royal Monetary Authority of Bhutan is pleased to launch “Jab-chor”- a platform to help our youths nurture and grow their business ideas through access to equity financing.
2. Jab-chor was inspired by His Majesty’s aspirations for our youths:

The 109th National Day Address of His Majesty in Trongsa on 17 December 2016, reflected on the opportunity that our financial institutions have to improve access to credit for our youths and rural people for entrepreneurship and commercial farming.

The 110th National Day Address of His Majesty in Haa on 17 December 2017 reminded us of the importance of empowering the next generation, of strengthening the youth, our children, to safeguard our sovereignty and security through a resilient society that is able to compete and excel in a highly competitive world. His Majesty also reminded our youth that in a fast-moving high-tech world, where the only limit is one’s imagination, youths must learn to take charge of the transition and inevitable evolution. Youths must take the first step forward.

1. In keeping with the national responsibility of responding to the concerns and aspirations that emanate from the Royal Throne, the RMA is honoured to have partnered with the Ministry of Economic Affairs, the Royal Securities Exchange of Bhutan, the Thimphu Tech Park Limited and the Bhutan Chamber of Commerce and Industry to launch “Jab-chor” to promote innovation, creativity and enterprise among our youths.
2. The RMA continues to work closely with the Government and financial service providers to prioritize resources and initiatives to drive the financial inclusion agenda and promote appropriate access to formal finance.
3. The most crucial enabling regulations and strategies for improving access to credit so far are:
4. Micro Finance Institutions (MFI) regulations 2016; currently 5 MFIs (RENEW, REDCL, BAOWE, Bhutan Care Credit Limited and Tarayana) have been registered to provide micro finance to income generating activities at the grassroots and focused groups.
5. Implementation of the Minimum Lending Rate in August 2016 to encourage competition and professionalism among financial institutions towards a balanced approach in engaging in financial intermediation
6. Implementation of the Priority Sector Lending (PSL) Guidelines in January 2018 as an integrated platform to coordinate Government support and interventions with better access to finance from the financial institutions. A hallmark feature of the PSL is the move away from traditional collateral- and guarantor-based lending to insurance-based lending

with preferential rates to promote the Cottage and Small Industries of Bhutan.

1. Institution of the Bhutan Economic Forum for Innovative Transformation (BEFIT) as a national platform for dialogue and innovative solutions to emerging macroeconomic challenges. The inaugural BEFIT event was an international conference on financial inclusion organized in May 2017. The outcome of BEFIT 2017 was the formulation of Bhutan’s National Financial Inclusion Strategy (NFIS) 2018-2023 and the National Financial Literacy Strategy (NFLS) 2018-2023 during August 2018. The Financial Inclusion Secretariat is in the process of spearheading the cross-sectoral NFIS National Action Plan for 2018-2023.
2. Rules and Regulations for CSI Banks, 2018 to promote financing for the CSI sector

1. While opportunities for access to finance continue to be strengthened, especially from the commercial banks and MFIs, the RMA is also exploring more innovative platforms for access to finance through alternate source of financing such as angel investors, P2P and crowd funding. Enabling such innvotive platforms would provide more choices and product diversity in addition to traditional bank borrowing.
2. Young entrepreneurs particularly startups are faced with the challenge of early start up equity despite having great business ideas. On the other hand, there are well-to-do individuals and private companies that have capital to spare and expect effective return on investment. One innovative solution and access to equity finance that RMA, RSEBL, BCCI, Company Registrar and TTP jointly offers is JAB-CHOR – a formal alternative source of financing platform to bring together young entrepreneurs and angel investors.
3. The platform will complement Priority Sector Lending (PSL) initiatives towards promotion of Cottage Small Industries. Under the PSL, primary production related projects are eligible for 100% loan backed by insurance, while all other projects have loan to equity ratio of 70:30.
4. Jab-Chor is an initiative to partner with innovative entrepreneurs and grow with them into a successful venture, based on trust and confidence supported by legally executed business partnership deed, recognized by laws of the Bhutan. The jab-chor ventures will help investor enter into a financial partnership with a trust worthy entrepreneur, who will give meaning to your investment and function within a legally defined relation to help you earn dividends, both in cash and goodwill.
5. On the first series of Jab-Chor platform, five business ideas, carefully screened and groomed will be presented to the investors for possible equity ownership.

For more information and promo material: Please visit [www.rma.org.bt](http://www.rma.org.bt)