



## POLICY ON CONSUMER PROTECTION

<b>Responsible Officer</b>
Compliance Officer

**Approvals and Sign Off**

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## **Introduction**

Enhancement of customer confidence in a financial service market that works efficiently and characterized by good performance and transparency in the services offered by NSB FMC to different customers in all segments is considered one of the basic components to achieve financial stability, the development and growth of these markets and encouraging them to achieve innovation in the manner that enhances the integration of these markets with the real economy.

Within the methodology adopted by the NSB FMC regarding devoting its supervisory role in protecting customers' rights, NSB FMC has implemented Customer Protection Policy and directives to the staff which aim to promote the concept of transparency and disclosure in the transactions offered by NSB FMC to various consumers in all sectors, and to provide an appropriate environment for keeping customers' rights within a balanced relationship that provides protection for the sector, avoiding its exposure to reputational risks .

Finally, consumers must also be able to rely on the products they purchase. This mainly requires product descriptions to be accurate and not misleading. For example, customer deposits fund whose objective is to outperform a certain benchmark, but for which the management has not been granted the conditions for realizing that objective. These are known as closet funds. This has urged to take measures to address the deficiencies.

### **01. Customer Protection –**

Importance and Concept customer protection refers to the applied procedures which aim to reduce risks that these customers may be exposed to in their dealings with NSB FMC through the development of regulatory frameworks including this policy that guarantee that they receive different financial services within an integrated framework of transparency and disclosure in financial dealings in a manner that ensure that these customers get their rights in full without causing any harm to their interests and to subject any party who violates these regulatory rules to accountability.

**Customer protection process depends on three dimensions as follows:**

**-Regulatory and Supervisory Dimension:** This includes a set of methods, applications and practices exercised by the concerned supervisory authorities in order to enhance customer protection.

**Legislative Dimension (Issued by the CBSL ):** This includes a set of legislations and controls regulating customers' rights and duties which constitute the mandatory framework through which business shall be done, so that appropriate regulatory actions are to be imposed to the NSB FMC violating these legislations.

**Educational and Awareness Dimension:** This includes a set of activities and practices which aim to raise the level of financial knowledge and culture among these customers in the manner that enhances their ability to make the right decision which in turn promotes the methods of their protections and receiving of their rights.

## **02. Supervisory Framework:**

This policy includes the procedures that NSB FMC shall comply with and adhere to when providing financial services or products to their customers, when providing financial advice and information thereto, and when advertising such products and services in addition to handling complaints and grievances raised by customers and settling disputes and conflicts.

## **03. The Objectives of Issuing Customer Protection Policy.**

**The issuance of this Policy aims to achieve a set of goals, including the following,**

1. Asserting on the attention that NSB FMC pays in the field of customer rights protection in the manner that ensures that they receive the financial services within an integrated framework of transparency and disclosure in a way that enables customer to make their decision upon sound bases, with the emphasis on the importance of NSB FMC to keep up with the developments related to customers' current and future needs, enlightening them about the extent of their suitability thereto so as to achieve their ambitions.

2. Developing a set of standards and practices related to NSB FMC customer protection, so that these standards and practices constitute a basis for assessing NSB FMC's' performance in the area of customer protection and the application of governance in this area.
3. Developing a general framework for the concept of customer protection with a focus on financial sector so as to contribute to the enhancement of supervisory objectives which support financial stability through enhancing professional practices in the field of financial services provisions to customers to avoid any problems at the national level as a result of improper practices when deal with their customers.
4. This Policy represents an educational and awareness tool for customers including the presentation of rights, duties and principles that improve the level of knowledge of the nature of the relationship with the NSB FMC, in the manner that contributes to the development of the educational process financially and legally of customers in their transactions. The existence of customers who have financial culture and understanding will result in the rationalization of their financial acts and decision and reduces the chances of their involvement in causing crises due to the low level of their awareness.
5. Strengthening the bases and pillars of confidence in the financial system, considering that confidence is one of the key factors of success, growth and development of relationships with customers, especially in light of the presence of effective mechanisms and clear frameworks for handling customers' complaints, grievances and any practices seen to be unfair or unclear.

#### **04. General Rules for Customer Protection**

The general rules for customer protection included in this policy constitute the minimum limit of rules that NSB FMC shall adhere to and comply with when dealing with customers.

##### **I. Equal and Fair Treatment**

Staff of the NSB FMC must, through all stages of their dealings with customers, observe that all their treatments shall be equal, just, fair, and honest, and to take into account to make this approach an integral part of their governance rules. Also, NSB

FMC shall pay more and special attention and care to customers with limited income brackets and those with limited education, the old people, and customers with special needs without any sexual discrimination.

**II. Disclosure and Transparency**

Staff of the NSB FMC shall provide to customers all information related to the services and products offered thereto. Such information shall be clear, simple, accurate and comprehensible to allow customers to know implied benefits and risks transparently and clearly without any trouble from the customer's side to obtain such information. NSB FMC shall observe to make the information submitted to customers contain a clarification of customers' rights and obligations and details of prices, charges collected for each service or product, as well as a clarification of the benefits and risks associated with such service or product, the mechanism to terminate such relation and the resulting consequences, in order to enable customers to make their right decisions. Advice given to customers shall be suitable to their financial capabilities and goals considering the expertise they have regarding these products or services, taking into consideration to urge customers to provide comprehensive and accurate information on their positions and needs in order to enable to provide them the appropriate advice and services. NSB FMC Shall display

- ✓ business license, registration or appointment obtained from the Central Bank, latest audited financial statements, key contact details of the person handling complaints, business hours and holiday notices, in a prominently visible position at the public places of business.
- ✓ publish the latest interest rates details of fees, commissions, and any other charge with the effective date as applicable on the official website of the NSB FMC and display the same in a prominently visible position at the public place of business.

**III. Financial Awareness and Education**

NSB FMC shall have a mechanisms to provide financial information to current and potential customers through staff of the Front Office , and to strive to raise their level of awareness and education so as to enable them to know all aspects related to financial services and products offered to them, and thereby help them make informed decisions,

and to direct them to the appropriate entity through which they can obtain additional information, if required. NSBFMC shall inform customers about their rights and obligations, particularly, customers with limited income brackets or those with limited education.

**IV. Professional Conduct**

NSB FMC shall have a keen to practice and perform their business in a professional responsible manner, taking into consideration achieving the best interests of customers in all stages of their dealings with the NSB FMC, being responsible for protecting customers regarding the financial services and products provided thereto. Most important of these conducts are integrity, credibility, and verification of suitability of services and products offered to customers to their capabilities, abilities and needs, while ensuring providing adequate training for the employees in front line who communicate with customers and provide financial services thereto.

**V. Customer Protection against Financial Fraud**

NSB FMC shall protect customers' investments and financial assets falling within their dealings with us through effective internal control systems (*through middle office verifications and internal circulars*) characterized with efficiency and high level of accurate supervision in order to reduce fraud and embezzlement operations or misuse of financial services, and to constantly make sure that the used systems are efficient to keep up with changes in fraud methods.

**VI. Protecting Privacy and Confidentiality of Information**

All transactions made with Customers are confidential and may only be revealed or disclosed under laws and legislations in force.

**VII. Handling Customer Complaints and grievances**

NSB FMC shall pay adequate attention and care to address customer complaints and grievances promptly, fairly and independently, through Customer the Complaint Unit and perform their responsibilities efficiently under clear and specific mechanisms to follow up and address such complaints without any delay (as per the Customer Complaint Handling Policy) .

**VIII. Competition**

NSB FMC shall provide the necessary information for making comparisons between the best financial services and products available to customers.

**IX. Protecting Customers against the risks of Outsourcing Operations**

In case NSB FMC may outsource certain operational services to third parties “Outsourcing”, NSB FMC shall ensure that such third parties are complied with the rules covered in this Policy and that they work for the interest of the NSB FMC’s customers bearing the responsibility of their protection including maintaining confidentiality of the their information, taking into account, that NSB FMC is responsible for the financial services and products providers regarding the procedures taken by such third parties. Moreover, NSB FMC shall obtain what proves the commitment of such third parties in relation to the application of customer protection. Customer Complaint Units at the NSB FMC shall undertake this responsibility.

- ✓ NSB FMC shall be legally liable for the actions and omissions of their agents and third parties.
- ✓ NSB FMC shall be required to perform due diligence before contracting any agent or third party.
- ✓ NSB FMC shall be required to continuously monitor the performance of their agents and third parties.
- ✓ NSB FMC shall enter into a non-disclosure agreement with the agents/ third parties deployed in its businesses to preserve the duty of secrecy of the information of financial consumers.
- ✓ NSB FMC shall provide a financial consumer upon request with details of agents and third parties appointed for financial consumer services and the code of conduct issued to them requiring them to refrain from doing any of the following but not limited to:
  - i. harassing financial consumers.
  - ii. disclosing financial consumer information to unauthorized parties.

- iii. giving false or misleading information about products/ services; and
- iv. undue influence on financial consumers or the public to buy or get involved in the products/ services of the NSB FMC.

**X. Conflict of Interest**

Written clear policy has been put in place and approved by the Board of Directors of the NSB FMC. The Board of Directors shall regularly ensure the adequacy of the procedures adopted and the policies applied in revealing the potential cases of conflict of interest and that they are effectively applied, ensuring that a disclosure is made on any case of conflict of interest in accordance with the policy.

**05.Practices of Disclosure and Provision of Financial Services and Products**

NSB FMC shall, in this concern, comply with the following:

- To collect sufficient information about the customer before raising a recommendation on certain products or services to be offered thereto to ensure that the product or service meets his needs and suits his abilities. (Source of Income, Occupation, Purpose of opening an account etc.)
- To provide to customers a written copy of the general and special terms and conditions related to each product or service prior they obtain such product or service. (Through applications)
- To use transparent and fair means in marketing products and services.
- To provide qualified personnel (Front line staff) who can undertake the direct contact with customers in the manner that suits the degree of complicity in products or services provided by the NSB FMC. Such personnel shall be adequately trained to reply to all customers' inquiries providing them with accurate information.
- To observe the application of all disclosure requirements for products and services required to be disclosed.

- **All terms and conditions related to all financial services offered by NSB FMC shall be available on the website in an easy to reach manner.**

## **06.Dealing with Customers**

NSB FMC shall, in this concern, comply with the following:

- To notify NSB FMC customers timely in writing or via electronic means prior making reinvestment, fees, charges and before imposing any new charges or other terms of services and products their customers receive or contracted on.
- To keep historical records of customers' transactions, and access to such records shall be easy with no charge or with a reasonable charge. **(at least 6 years)**
- The procedures adopted in the clearing and settlement of payments of customers shall be clear and known to them including fixing the terms within which the amounts to be invested in their accounts.
- Deactivate the customer accounts whose accounts have no movements for **more than TWO year** from their side.
- Endorsements and statements forwarded to customers to be signed shall be legible, understandable, and suitable to all kinds and categories of customers.

**07.Protection of institution confidentiality and Information Privacy, NSB FMC shall, in this concern, comply with the following.**

- Protecting customers through the development of high-level control systems that include appropriate mechanisms identifying the purposes for which data and information is collected and processed.

- NSB FMC's responsibility to the protection of customers' data and information and maintaining their confidentiality extends to the data kept therewith.
- To provide the internal environment that ensures the achievement of security and confidentiality to all information and data available therewith on customers and their transactions. NSB FMC shall, on an ongoing basis, examine this environment to ensure its validity.
- To make appropriate disclosures to their customers on the cases where maintaining the confidentiality of customers information and data are excluded, namely
  - a. **Cases where disclosure of information is made under the customer's written consent**
  - b. **Cases where disclosure of information is made mandatorily under applicable laws and legislations.**
- **When recruiting employees or outsourcing services, NSB FMC shall complete the agreement of non-disclosure that confirm their commitment to maintain confidentiality of customers' information and data.**

#### **08. Timely Response and Contacting a Financial Consumer**

1. NSB FMC shall respond to a financial consumer's request for information clearly, timely and in writing or electronically, through the preferred communication channels and either in Sinhala, Tamil, or English, as preferred by the financial consumer, **within five working days.**
2. NSB FMC shall maintain a record of the financial consumer site visits including date and time of the visit, names of the officers who visited and the financial consumer's response in brief. ( NSBFMC must not make an unsolicited personal visit, at any time, to an existing/ prospective Customer. All such visits shall be subjected to prior appointments.

3. NSB FMC shall maintain **call recordings of call centers** and shall retain such records considering the data retention requirements.
4. When obtaining a physical signature, the NSB FMC shall obtain a signature for security/ contractual documents outside the premises of the place of business only if a reasonable circumstance arises upon request of a financial consumer and in the presence of an authorized officer from the NSB FMC. (**Manager front office/Second Officer front office/Managers/Second Officer of the NSB Branches with the seal**)

#### **09.Financial and Awareness**

- NSB FMC shall design and create appropriate mechanisms to develop the knowledge and skills of current and future customers (through front office staff) and to raise level of awareness and guidance to allow them to understand key features of transactions they perform with the NSB FMC in the manner that enable them to make sound decisions, and to direct them to the appropriate entity to gain information if required.
- As a type of financial education, the NSB FMC 's website shall contain a page for financial information, provided to include this Policy, in addition to customer's rights and obligations, how to raise a complaint and frequently asked questions and the NSB FMC 's replies to them.

#### **In this context, the following shall be complied with:**

- NSB FMC shall participate with civil bodies and organizations as well as scientific and professional institutions that seek to enhance financial awareness and to raise knowledge level and cooperation in developing and implementing financial awareness programs.

## 10. Advertisement and Advertising Material

NSB FMC shall, in this concern, comply with the following,

1. To ensure that advertisements and all advertising materials used in marketing products and services do not include untrue or inaccurate information that led to wrong understanding by existing or potential customers which results in making wrong decision.
2. All advertising materials for products and services shall be easy to read and understandable by the public.
3. Avoid misuse of footnotes, disclaimers, or fine prints to prevent a financial consumer from reading relevant information fairly. Such items should be of sufficient size and of sufficient duration to enable an average viewer to comprehend.
4. NSB FMC shall, when issuing any advertisements or advertising materials, consider the legal accountability that may arise thereupon as a result of providing incorrect data or information in these advertisements or advertising materials used for selling products and services to customers.
5. NSB FMC shall not advertise any products or services that imply risks that can only be recognized by experts, and not to encourage customer to benefit from these services and products without providing an appropriate explanation of the implied risk.
6. All advertisements **should be reviewed by the Compliance Officer** of the NSB FMC **as per the annex I** ., taking into consideration that such rules, regulations and practices professionally and legally accepted in relation to the advertisements and advertising materials issued by the NSBFMC .
7. **Compliance Units at the NSB FMC shall** ensure that the advertising procedure complies, as a minimum, with the rules and practices included in the Customer Protection Policy and that it is free from any messages that may be wrongly or erroneously understood. In cases these units receive inquiries or clarifications raised by

such advertising materials, shall take immediate actions to remove any confusion or ambiguity therein.

8. When NSB FMC is announcing that received awards, certificates of distinction or excellence, NSB FMC shall make a disclosure by providing sufficient information on the granting entity, mechanism, and methodology by which it was granted the certificate and the standards on which this entity depended.
9. Include the contact details of the NSB FMC and state that the NSB FMC is subsidiary of the NSB, in all advertisements and marketing materials.
10. Where a NSB FMC advertises or promotes any product or service that requires a consumer to pay a fee, it should include the following disclosures:
  - ✓ the name and logo of the NSB FMC and contact details.
  - ✓ indicate the amount of all fees and commissions relating to the use of the service or product.
  - ✓ NSB FMC cannot do the following:
    - a) provide an offer or false data or information or to be evasive about the terms that would lead directly or indirectly to deceive or mislead a consumer.
    - b) use an advertisement or poster without the right to use a counterfeit mark or logo.

#### **11. Customer Service Personnel and Promoters of financial Services and Products**

1. Customer Service Personnel and promoters of financial services and products shall have good knowledge, know-how and expertise of legislative and regulatory rules of customer protection, and the provisions and controls included in this policy related to practice of customer service as well as having good knowledge of all technical aspects related to the services or products offered to customers.
2. NSB FMC shall, when recruiting customer service personnel and promoters of financial services and products, observe a set of standards that they develop and such employees must have, **whether in terms of the years of experience in similar works, knowledge of financial services and products in a manner commensurate with the**

*degree of complexity therein, with possessing the skill of communication and other personal characteristics that suit the nature of the duties assigned thereto*, in addition to holding the required qualifications and having necessary training.

## 12. On-line Financial Service

1. NSBFMC that provide financial services to customers through using the internet (on-line) shall use protection software that ensures the following.
  - ✓ Maintaining privacy and confidentiality of customer information and protecting it from unauthorized access or hacking.
  - ✓ Documentation of transactions, possibility of determining related parties and control on access of used systems.
  - ✓ Approving and implementing the transactions customers perform on their accounts through the systems available by the NSB FMC in this concern.
  - ✓ Providing a business continuation plan.
  - ✓ Notifying customers, prior enough time, in case has to or about to stop some of their services for maintenance purposes or for other reasons.
2. NSB FMC shall impose a type of control and supervision on the performance of third parties when outsourcing certain financial services to them through the internet (on-line).
3. NSB FMC shall inform customers who desire to use on-line facility in performing transactions.
4. NSB FMC shall set clear and specified rules for handling any cases of error or fraud in event of occurrence (**as per the error resolution policy**)

5. NSB FMC shall take the procedures that aim to raise customers' level of understanding and dealing through on-line facility (**CMS**), provide regular awareness programs and to notify their customers about any changes or developments in the applicable systems to protect them.

### **13. Fund Transfers**

1. NSB FMC shall provide sufficient information to their customers who use the services of electronic fund transfer services and how to obtain them in an easy and understandable manner (**For their transactions with NSB FMC Bank Accounts**).
2. NSB FMC that receive electronic fund transfers, NSB FMC shall transfer the amount to the customer account who are related to these transactions after verifying identity of the customer.

### **14. Enhancing the Duties of Customer Complaint Unit**

NSB FMC shall, in this concern, comply with the following,

1. To comply with the instructions issued by Complaint Handling Policy concerning protecting customers and the Board of Directors of the NSB FMC shall ensure the same.
2. These procedures shall include in the Web site of the NSB FMC specifying the steps to be taken if a customer has a complaint .
3. NSB FMC shall maintain the Compliant Register
4. NSB FMC's Customer Complaint Units shall be responsible for verifying the extent of compliance of Customer Protection Policy and other relevant instructions and controls of the NSB FMC.
5. NSB FMC's Board of Directors shall be responsible for developing the policies and procedures that guarantee that its Customer Complaint Unit is carrying its duties

effectively, and to submit its reports in this concern to the Board of Directors to take the appropriate actions.

6. NSB FMC's Customer Complaint Units shall ensure that customers have reviewed all documents presented thereto by the NSB FMC when obtaining any service or product, and that the customer has received a copy of these documents with **obtaining the customer's signature on the receipt proof.**

### **15. Responsibilities and Obligations of Customers**

Within the framework of identifying the responsibilities and obligations of customers, they shall,

- be truthful and honest in all information they submit to the NSB FMC dealt with.
- Carefully review all documents presented thereto by the NSB FMC when getting any service or product, with the necessity to get acquainted of the fees and commissions or any obligations or liabilities resulting thereupon. Customer shall keep a copy of these documents before creating any financial obligation thereupon.
- In case a customer does not understand any of the terms or procedures associated with the service or product he /she desires to obtain, he/she shall raise his inquiries to the personnel of the concerned NSB FMC so that he/she can make his decisions based on clear and full vision.
- Comply with the procedures for raising a complaint, including the procedures of raising a grievance to Consumer Protection Policy.
- Select from among the products and services offered thereto the product or service most appropriate to their actual and real conditions and capabilities in the manner that satisfies their actual needs.

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- Immediately inform NSB FMC once they get to know that certain financial transactions done on their accounts which they do not know about or their reasons or those transactions which they did not issue authorization for their completion.
- Be careful and cautious in maintaining the confidentiality of their information related to their transactions with the NSB FMC, and not to disclose it to any third party to protect their investments.
- Seek the advice and counsel of the NSB FMC's front line staff if they face any financial difficulties that hamper them from complying with the terms of their contracts or from using the services and products offered thereto.
- Update their personal and banking data with banks whenever requested by the NSB FMC or upon the occurrence of any change thereto.
- Assuring maintenance of secrecy and in case customers need to correspond with the dealt with through regular mail or e-mail, they shall use their own postal address to avoid informing other parties about their personal and investment information, if they did not use their own address.
- Customer should inform the NSB FMC immediately of any *changes of address (with valid address proof)/contact details, email address or any other relevant information*.
- In case a customer needs to grant his authorization to the Power of Attorney for their transactions, NSB FMC shall take necessary actions to accept the same considering issued periods and conditions. **(5year)**
- Not sign any empty or incomplete financial documents or contracts and shall review all documents offered thereto by the NSB FMC before signing them.
- Customers must keep copies of the documents of transactions done with the NSB FMC in a safe and easy to reach place for reference when needed.

- At the time of transacting a product/service, Customer should provide clear written instructions in respect of the maturity proceeds of the product/service to be followed at the time of the maturity of the product/service. If the product/service *matures more than one time during a year, customer should provide new written instructions from the Customer on a yearly basis*

## **16.Responsibilities and Obligations of the NSB FMC**

- ✓ Up to date terms and conditions for products and services should be provided to new consumers or at the request of existing consumers, through the channels available from the NSB FMC and in accordance with the consumer's preference, and detailed either by way of a general terms and conditions by application. Consumers should be encouraged to read these terms and conditions before committing to a product or service.
- ✓ NSB FMC should communicate any changes in terms and conditions **at least 30 business days in advance of any such** changes being implemented.
- ✓ All terms and conditions should be written in clear and understandable language.
- ✓ NSB FMC should include specific warning statements in all terms and conditions, application forms and advertisements, clearly stating the potential consequences for the consumer in not meeting the product or service conditions as agreed in the application form.
- NSB FMC has responsibility to protect consumer data and maintain the confidentiality of the data, including when it is held by a third party.
- NSB FMC will provide a safe and confidential environment in all its delivery channels to ensure the confidentiality and privacy of consumer data.
- NSB FMC has a general duty of confidentiality towards a consumer except:

- 1) When the disclosure is imposed by the relevant authority (such as the Courts, IRD etc.).
  - 2) When disclosure is made with the written consent of the consumer.
- NSB FMC shall have sufficient procedures, system controls and checks and employee awareness to protect consumer information and to identify and resolve any causes of information security breaches, where they may occur in the future.

### **17.Data Protection and Confidentiality**

NSB FMC will collect from the customer:

- Personal details such as name, gender, date, of birth.
- Contact details including address, phone number and e-mail
- Identity information including NIC or passport information, tax identification when required.
- Family information including information about, spouses and children.
- Work Information including work address and phone number, current and previous job details.
- Financial information such as source of income and annual income.
- Account information including information about the beneficial right owner of the account or other parties that are directly or indirectly associated with the account and its activities.

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- Other information that customer provide when filling specific forms of communicating with NSB FMC , whether face to face or by phone, e-mail, mobile or online banking applications or when answering to any of our market research enquiries.
- Information that the customer has asked or allowed us to collect on customer from other sources, such as other banks or third parties that customer has dealt or still dealing with.
- NSB FMC will update records when the customer inform that details have been changed or required amendment and NSB FMC will continue to review and assess the quality of information, yet it is customer's responsibility to make sure that give us accurate and up to date information.
- NSB FMC will be transparent in our dealings with, and we will tell the customer about how we will collect and use the customer information to:
  - ✓ Provide the customer with the products/services that requested
  - ✓ Abide by the applied laws and regulations
  - ✓ Protect the NSB FMC's interest against any abuse or misuse of our services and products which include but not limited to:
    - Confirm identity and address.
    - Understand how to use customer accounts, the transactions process through us, and their legitimacy.
    - Identify and investigate unusual transactions processed on customer accounts.
  - Improve our products and services.
  - Advertise our products and services

NSB FMC will invest all its effort to protect the customer information by:

- Providing regular and on-going trainings for our staff on their privacy obligations.
- Implementing the most appropriate physical and technological security measures to protect customer's information regardless of where it is held

### **17.1. Transmission/ Disclosure of Personal Data**

NSB FMC may need to transmit customer personal data disclosing information with Our supervisory authorities or law enforcement agencies without customer prior consent to comply with legislative and regulatory requirements.

Furthermore, and in order to ensure compliance with the applied regulations and to protect the NSB FMC's interest, NSBFMC may share customer personal information with our external auditors.

### **17.2. Customer Rights**

Under the Data Protection and Confidentiality Policy, customer has the right to ask the NSB FMC about,

- NSB FMC's obligation to protect customer personal data.
- The lawful conditions we rely on to process customer data.
- The type of personal data we are collecting.
- The purpose for collecting customer personal data.
- Other sources from where we could gather data on customer.
- The need and purpose to disclose customer data to third parties to meet our regulatory or contractual requirement and the consequences for not providing the data.
- The applied method to request the NSB FMC to:
  - Rectify inaccurate personal data held about customer.
  - Erase of customer personal data in certain circumstances, if in compliance with the applied laws.
  - Provide the customer with a copy of personal data in a commonly used electronic format.
  - Not to make automated decisions about the customer based on personal data that produce significant legal effects.

### 17.3. Possible Constraints Associated with the Customer Request

Refusing to provide us with personal information may drastically affect our ability to assist the customer with our financial services and it may deny customer the right to benefit from specific products or services.

Furthermore, it should be noted that the customer request to rectify, erase, stop an automated decision or restrict the use of personal data, may have an implication with respect to some or all of the services and products that the customer is benefiting from and that it is the NSB FMC's right to unilaterally suspend or terminate the business relationship and any or all of the services/products customer is benefiting from as a result of any legal or operational implication that may result due to request of the customer .

### 17.4. Protection of Financial Consumer Personal Information

NSB FMC shall be required:

- I. to have appropriate security and control measures to protect financial consumers' personal information and retain it for a **minimum period of six years** from the termination/ expiration of contract, unless otherwise required by any other law.
- II. to retain **key information**, contractual documents, and history of all the transactions for a minimum of **six years from the termination/ expiration** of contract; and
- III. to retain all the **source documents** for a **minimum of six years** from the transaction date unless otherwise required by any other law.

### 18. Opening and Closing Procedure

- NSB FMC shall accept and fulfil all requests to open new accounts, where the consumer has completed all of the required documents and meets the conditions required to complete the account opening process, with the exception of the cases provided for in the rules of opening and operating accounts issued by the NSB FMC .

- NSB FMC shall not unreasonably delay the opening of an account for a consumer by engaging in delaying tactics.
- In cases of fraud or embezzlement by a consumer, NSB FMC can immediately close or block an account without communicating with the consumer.
- NSB FMC has the right to deactivate an account if the account balance is zero for a period of two year from the date that the account is opened.

### **19.Amount Transferring Process (Customer Instructions)**

**Amount Transfer process other than instructions already given by the customer, which includes the following: (pre-Mature, renewal or maturity payments)**

- the date to transfer the amount.
- consent to close the account and transfer any balances to the designated account with the copy of bank account.
- Customer consent shall provide by email by agreed email with NSBFMC or signed hard copy.
- Customer should submit new applications/written instructions seven calendar days prior to the maturity date
- Customer should undertake to give prior instructions for any changes in maturity instructions, seven (7 ) calendar days prior to the maturity date by written or registered email address.

## 20. Responsibilities of Employees

NSB FMC will ensure that employees who have direct interactions with consumers should do the following: -

- a) competently, efficiently, and professionally discharge their duties and provide the services they are entrusted to provide.
- b) display good behaviors and deal professionally when providing service to always existing or prospect consumers
- c) have full knowledge of best investment practices so that they can help consumers.

NSB FMC should ensure that its employees have access to training and achieve the required levels of competency by enrolment in specialized programmes for professional accreditation that qualifies them to deal with consumers.

## 21. General Terms

- *Hard copy of the 'Consumer Protection Policy' should be available at the front office for consumers. An electronic copy also available on NSB FMC website for all consumers.*
- NSB FMC will provide a copy of the following documents within seven business days, or as otherwise formally agreed with the consumer, based on the consumer request:

**A copy of the original documents signed by the customer for any product or service. (Including terms and conditions)**

- NSB FMC shall take humanitarian reasons into consideration when dealing with consumers who have emergency financial difficulties for premature withdrawals with the consent of the CEO.
- NSB FMC will display the hours of business on a fixed notice at the main entrance and on website and office should open and close in accordance with the advertised hours of business.

- NSB FMC will not discriminate against consumers in any way, in the sale or usage of any product or service.

## **22. Error Resolution Procedure**

- NSB FMC is not entitled to benefit from any amounts due to an error, the sum should be returned to the affected consumer's account without delay and without waiting for the consumer to register a claim.
- Where a NSB FMC discovers an error or is informed of an error by a consumer making a complaint or a claim, then the NSB FMC should refund all other consumers who are proven to be affected by a similar error. This should be completed within the period of the original error being identified (**as per the error resolution policy**).
- NSB FMC should ensure the continuity of systems to meet the consumers' always needs, and to provide alternatives when a defect or malfunction occurs.
- On conclusion of a complaint or error investigation, or on receipt of an instruction from a higher authority, any refunds or monetary compensation due to a consumer should be credited to the consumer account within the time period (**as per the mentioned in the error resolution policy**). In certain exceptional circumstances when a longer period may be required, the consumer should be advised of the expected time for crediting of the amount due.

## **23. Policy for Sales of Financial Products**

### **23.1. What are sales in the NSB FMC**

- ✓ Sales in the Financial Sector is very different from the typical approach of persuading a customer to buy a product.
- ✓ In this Sector, sales consist of building trust with the customer, providing help in financial matters, and solving customers' problems.

- ✓ This will also help them to give appropriate financial advice to customers regarding their investments.

### **23.2. Here are a few things you must know on how to do.**

#### **Building Trust**

- ✓ Building trust with the customer is the foundation of a successful business relationship.
- ✓ Front office staff must clearly and honestly communicate all the information regarding financial products. (Treasury Bill/Bond /Repurchase and Reverse Repurchase)
- ✓ This also involves ethical standards so that the representatives build confidence and help the customer to make appropriate decisions regarding investments.

#### **Understanding customers' needs**

- ✓ NSB FMC Staff must understand the needs of the customers.
- ✓ They must ask the right questions, listen to them carefully, and suggest solutions accordingly.
- ✓ It is also important for staff to modify the solutions as per the needs of the customers. This will satisfy the customer and create long-term loyalty with the NSB FMC.

### **23.3. What is the importance of sales in the NSB FMC**

- ✓ It creates revenue for the NSB FMC. It promotes and sells financial services and products to customers. This brings profit to the NSB FMC.
- ✓ It plays a crucial role in meeting financial targets. For instance, by selling upgraded products, sales can help NSB FMC to expand their earnings.
- ✓ **It improves customer experience. Staff of the NSB FMC shall be trained to listen and build trust with customers. This leads to a positive interaction wherein a customer feels satisfied.**

- ✓ It helps to build a brand name. As it creates a personalized and positive customer experience, a sales team can also help to build a positive brand image for a NSB FMC.

**23.4. To achieve these outcomes, we leverage an approach that is broken into four phases.**

**Phase 01-Unify data**

To begin, critical sources of sales practices risk data are combined and analyzed to identify indicators of unauthorized accounts, inactive accounts and employee misconduct. This includes sales practices risk data (e.g., terminated, and reprimanded employees, ethics hotline, whistleblower, exit interviews), along with channels internal (e.g., customer service centers, branches, mail, customer surveys) and external (e.g., customer complaint database) to the NSB FMC.

**Phase 2 – Risk-rank accounts for potential misconduct**

Behavioral triggers (e.g., suspicious account activity, multiple account openings within a prescribed timeframe with separate persons) consistent with sales practices misconduct are tested and modeled. All the accounts are risk-ranked as high risk and prioritized in order to continue investigating which accounts are potentially unauthorized.

**Phase 3– Validation and back-testing**

Rigorous manual validation and back-testing of data analytics results are performed. Using product-specific testing scripts, employee, customer, and account information contained in client systems is reviewed to fully assess the effectiveness and optimize the outcomes from the data analytics, risk ratings, thresholds, and results.

**Phase 4 – Sales practices compliance program operationalization**

To complete the process, a sales practices compliance program for the ongoing monitoring and detection of potential misconduct is operationalized. Processes and procedures,

exception routing, and line of business communications protocols are developed, documented, and implemented to manage the results of employee and account testing.

High-level plans are developed to address root causes and customer impact. These plans can include, but are not limited to, employee discipline, account closures, enhancing operational risk controls, incentive plan revisions, sales training improvements, and improved customer complaint processing.

At Perficient, our goal is to help you establish an effective and efficient ongoing sales practices compliance program, along with the evidence and documentation that demonstrates NSB FMC's compliance with your procedural governance.

**23.5. When recommending and conducting sales of financial products, NSB FMC staff are governed by the following policy, which is designed to protect the best interests of our customers.**

- NSB FMC will recommend suitable financial products based on an understanding of the customer's financial conditions, investment experience and contract objectives.
- NSB FMC will provide sufficient information, including risks and fees as well as advantages of the product, to allow the customer to make an informed purchase decision at the customer's own discretion.
- NSB FMC employees will strictly abide by all related laws and regulations, and endeavor not to engage in sales activities at times or places inconvenient to the customer.
- NSB FMC employees will provide impartial, unbiased advice on financial products, supplying the customer with clear and truthful information and explaining any associated risks.

## **NSB FMC**

- NSB FMC employees are thoroughly trained to provide professional advice and to avoid inappropriate sales activities. NSB FMC has a comprehensive system of in-house supervision to ensure that these guidelines are strictly followed.

### **24. Review of Policy**

The Policy shall be reviewed as necessary or at least once every three years to ensure it aligns with the requirements of NSBFMC and complies with any updated guidelines issued by the Regulator from time to time."

