

Financial Supervision and Inspection Department Status of cooperation with the ASEAN WC-FINC Working Committee on Financial Inclusion Processes as the Microfinance Industry Supervision and Inspection Branch

1. Financial Regulatory Department, under the Ministry of Planning and Finance has been coordinating with the ASEAN Secretariate Office when starting the program of Myanmar Financial Inclusion Roadmap since 2014 and it has become a member of the Working Committee on ASEAN Financial Inclusion (WC-FINC) in 2015. There has been collaborating with the ASEAN Countries for the process of Financial Inclusion Programs as well as making commitment as four desired outcomes (DOs) to implement as followed:

- (1) Supporting national financial inclusion strategy & implementation plan
- (2) Elevating capacity building to advance inclusive and sustainable growth
- (3) Enhancing digital financial inclusion
- (4) Increasing awareness on financial education and literacy

In this regard, Myanmar has already implemented DO (1) and DO (2) by the support of the ASEAN WC-FINC and it has already planned to proceed the DO (3) for enhancing the digital financial inclusion and DO (4) for increasing awareness on financial education and literacy as the strong coordination with the ASEAN Countries.

2. The WC-FINC annual priorities have been completed in 2022, as following:

- (1) Developed and launched report by the support of Alliance for Financial Inclusion (AFI) as the policy note on digital financial literacy for ASEAN to promote economic inclusion (DO 1)
- (2) Organized sharing session of the best practice of the usage of National Digital ID as means of payment which will boost the digital financial infrastructure readiness in AMS (DO 3)
- (3) Organized sharing session to exchange good practices and country experiences on Financial Literacy and Consumer Protection during the COVID-19 Pandemic (DO 4)
- (4) Conducted the stock-taking questionnaire on Financial Literacy and Consumer Protection issue using as a key message for the 2022 ASEAN Saving Day (31st Oct) (DO 4).

3. The 13th WC-FINC Meeting was held on 10th February 2022 and in this meeting all WC-FINC members of ASEAN Countries agreed to select the Option (1) from the three Options as going to continue the collaboration with AFI in the development of Guidelines on collection of Digital Financial Literacy (DFL) data through developing a common standard and indicators for data comparison across the ASEAN Region. In addition, all WC-FINC members agreed to continue the collaboration with the UNCDF in developing 2022 Report on Monitoring Financial Inclusion in ASEAN.
4. The 14th Meeting of the ASEAN Working Committee on Financial Inclusion (WC-FINC) via Virtual Conference was held on 27th September 2022 by leading from the Bank of the Lao PDR and Monetary Authority of Singapore. Regarding the Financial Inclusion Progress in ASEAN, under the title of agenda as “Update from Development Partners”: the responsible persons from the UNDP have been shared and explained about the draft of the ASEAN Report on Monitoring Financial Inclusion (2022) as including data collection and management process, data analyzing process, setting the targeted time frame to make the public launched this report in ASEAN during 2022.
5. The 15th Meeting of the ASEAN Working Committee on Financial Inclusion (WC-FINC) Conference was held on 8th and 9th February 2023 in Bali, Indonesia and discussion on that meeting as the improvement of the average level of ASEAN financial exclusion, which based on AMS’ national data is now at 22.4 percent, already surpassing the 2025 target of 30 percent in the Strategic Action Plans (SAP) for Financial Integration. The updates on the 2022 Report on Measuring Progress of Financial Inclusion in ASEAN, highlighting the link between financial capability, financial inclusion, and financial resilience. Working Committee on Financial Inclusion’s (WC-FINC’s) engagement with the ASEAN Coordinating Committee on Micro, Small, and Medium Enterprises (ACCMSME) in the area of MSMEs financing and digital literacy, and looked forward to deepening engagement through the development of an ASEAN policy toolkit on Upgrading Pathway to provide information on the current level of MSMEs in terms of financial inclusiveness.
6. **Development Progress:** Regarding the Myanmar Financial Inclusion Roadmap (2019-2023), the objectives of this roadmap are to rise Myanmar financial inclusion rate from 48% in 2019 to 60% in 2023 and to increase the use of more than one financial services rate by adults from 17% in 2019 to 25% in 2023. There are 5 pillars including in FI Roadmap as (1) Finance to the low-

income people, (2) Finance to the SMEs & Farmers who are working the business, (3) Saving Mobilization, (4) Digital Financial Services and (5) to provide Financial Awareness and Financial Protection to Customers or Clients. The respective 5 Steering Working Committees have already constituted on 7th December 2020 and they have been implementing the 5 pillars to get the achievement of these objectives.

7. Mobile financial service has been dramatically increasing in Myanmar since 2016. As per data from the Central Bank of Myanmar, proportion of adult with an account at a mobile financial service is frog-jumping as 2.35 % in FY 2016-17, to 65.04% in FY 2020-21. In addition, there has been increasing use of more formal financial services in Myanmar: as per data from the relevant organizations as Banks, Microfinances, cooperatives and other mobile financial services. Currently in Myanmar, adults using at least one formal financial service in Myanmar is 84% in 2021 December and that is based on the 38 million of adult's population.
8. Getting the development of Digital Financial Eco-system in Myanmar, it is a need to set and enact the criteria in order to promote and updates the new laws, regulations and financial policies and platform. In this regard, it is going to coordinate and collaborate with the relevant stakeholders and policy makers so as to share their experience, know-hows and knowledge as well as reducing some forgeries in DFS and to reduce the risk of Cyber securities and new technologies.