



**Circular No. 6 of 2022**

**Date: 6<sup>th</sup> June, 2022**

**Commencement of the Financial Consumer Protection Act, 2022 (“FCPA”)**

The Financial Services Authority (“FSA”) makes reference to the enactment of a new Financial Consumer Protection Act (“FCPA”), which came into force on 1<sup>st</sup> May 2022.

The aim of the FCPA is to provide a framework to protect the interests of financial consumers to fairly, reasonably and effectively handle financial consumer disputes and to promote the development of the Financial Sector. Therefore, there are new obligations under this new Act that financial service providers and their agents or third parties specified under the Schedule of the Act need to adhere to.

Respectively, under section 8 every financial services provider has an obligation to submit a bi-annual report to the FSA on the policies adopted in relation to consumer protection including the following:

- (a) the measures taken to monitor compliance with policies;
- (b) financial education activities;
- (c) information on the number, type and conclusion of disputes of the financial consumers handled internally;
- (d) the activities of agents or third parties acting on behalf of the financial services provider; and
- (e) any monitoring activity undertaken over such entities.

The report for the first half of the year shall be submitted by 15<sup>th</sup> July of each year and that for the second half of the year shall be submitted by 15<sup>th</sup> January of the succeeding year.

In accordance with section 47, with the coming into force of the FCPA, there is a **transition period of six months** for every financial service provider to comply with the provisions of the Act. Therefore, the first report under section 8 of the FCPA shall be due on the 15<sup>th</sup> January 2023.

A financial service provider who fails to adhere to the above obligation shall be liable to an administrative penalty under the Act.

Please be advised that, within the transition period, the FSA will adopt adequate measures and issue relevant publications to permit for smooth implementation of the FCPA within specific sectors, services or products, according to the needs and requirements under the FCPA.



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