



CO-OPERATIVE BANKS DEVELOPMENT AGENCY

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GUIDELINES TO EXEMPTION NOTICE RULES

SAVINGS POLICY

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The following serves as a minimum guidance note as to the issues/checklist that the Regulator will be examining when reviewing the Savings Policy of the Co-operative Financial Institution (CFI) as per Note 3 of criteria for registration under the CBDA Rules.

General

- a) The objectives of the savings policy
- b) The manner in which savings products are mobilised and marketed..
- c) Responsibility for policy review and the frequency of the review, which should not be less than one year.
- d) The types of savings products offered by the CFI and the minimum requirements for accessing each savings product.
- e) Mechanisms for proof of savings ownership and notification methods and periods i.e. savings books or quarterly savings statements.
- f) Procedures for determining and adjusting interest rates and fees as well as treatment of interest capitalisation.
- g) Procedures for opening, closing and withdrawing from a savings account.
- h) The intention to match savings terms (liability side) with loan terms (asset side); i.e., tenure/maturity terms for both sides must be similar or comparable
- i) Development and authorization of new savings products/services in compliance with the Exemption Notice 404 of 2012.
- j) Indication of how the savings of the CFI members are protected.
- k) Handling charges for accounts considered to be inactive for a specified time period or due to maintaining minimum balances in the account (dormant accounts), including the responsibility and monitoring thereof.
- l) Procedures for reactivating closed dormant accounts, including the responsibility and monitoring thereof.
- m) Handling of charges for the return of cheques received as deposits.
- n) Elimination of inactive accounts with marginal savings which have exceeded the specified time period.
- o) The ability of the CFI to cancel savings accounts which have been handled in a dubious or irregular manner.

Per Product

- p) Procedures for calculating interests on savings products as well as interest capitalisation where applicable.
- q) The calculation of interest rate and fees, where applicable.
- r) The criteria to invest in specific products e.g. age, income source.
- s) The procedures for withdrawal of monies prior to maturity and penalties to be charged where applicable.