

FINCA Armenia Receives Smart Certification for Strong Client Protection Practices

The FINCA Impact Finance subsidiary has provided responsible finance to low-income clients in Armenia since 1999

January 25, 2019, Yerevan, Armenia and Washington, DC – FINCA Armenia, FINCA Impact Finance’s subsidiary in Armenia, announced it received Smart Certification. This recognition of its long-standing commitment to client protection came after a rigorous independent review process found it has continued to uphold industry-leading client protection standards in providing responsible finance. One of 20 banks and microfinance institutions comprising the FINCA Impact Finance (FIF) network, FINCA Armenia joins FIF subsidiaries in Ecuador, Georgia, Kosovo, Kyrgyzstan, Nicaragua and Pakistan in receiving Certification from the Smart Campaign, a global initiative promoting prudent, transparent and respectful treatment of clients. It is the first institution in Armenia to be certified.

“Smart Certification is recognition of our commitment to putting customer interests first,” said FINCA Armenia CEO Hrachya Tokhmakhyan. “As the first institution in the country to be certified, we are setting a new benchmark for client protection and helping develop a more client-centric environment in the Armenian market.”

The Smart Campaign is a global initiative advocating for strengthened client protection standards in the microfinance industry. The certification process, which involved review of all FINCA Armenia’s business processes and policies, found a strong, consistent commitment to the Smart Campaign’s seven Client Protection Principles: appropriate product design and delivery; prevention of over-indebtedness; transparency; responsible pricing; fair and respectful treatment of clients; privacy of client data; and mechanisms for complaint resolution.

“Congratulations to FINCA Armenia for joining over 100 financial institutions who are leaders in client protection”, said Isabelle Barrès, director of the Smart Campaign. “This is a milestone for the microfinance market in Armenia, demonstrating there is a strong business case for upholding high ethical standards.”

Originally launched in 1999, FINCA Armenia is a leader in the country’s microfinance sector. It serves low-income entrepreneurs around the country, primarily supporting the small- and medium-sized enterprise (SME) sector. The institution specializes in providing SME, agricultural and individual loans and recently concluded a successful \$2.8 million bond issuance. The institution is also integrating digital technologies into its core banking practices, having launched an online loan application system in 2018. By emphasizing tech innovation while maintaining robust client protection standards, it is able to reach more previously unbanked people with impactful financial services.

About FINCA Impact Finance

FINCA Impact Finance is a global network of 20 microfinance institutions and banks that provides socially responsible financial services to enable low-income individuals and communities to invest in their futures. For more information, visit www.FINCAImpact.com and follow on Twitter @Fincaimpact.

About The Smart Campaign

The Smart Campaign, an initiative of The Center for Financial Inclusion at Accion, is a global effort to unite microfinance leaders around a common goal: to keep clients as the driving force of the industry. The Campaign's Client Protection Principles were developed in 2008 and are intended to protect clients, businesses and the industry as a whole. FINCA International, the majority shareholder of FINCA Impact Finance, is a founding member of the Smart Campaign.