

CODE OF PROFESSIONAL CONDUCT

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1. Commencement and Application

- 1.1 This Code was developed by the Council pursuant to Article 39 of the Institute's Articles of Association. This Code shall come into effect on 1 September 2015 and shall apply to all Individual Members.

2. Interpretation

- 2.1 In this Code, unless the context otherwise requires, words and expressions defined in the Institute's Articles of Association and bye-laws shall have the same meanings herein.

3. Introduction

- 3.1 The Code of Professional Conduct has been developed in furtherance of the Institute's object to promote the highest standards of professional conduct, competence and practice among persons engaged in the banking and financial services industry. The Code expresses the basic tenets of ethical and professional conduct to guide Members of the Institute in the performance of their professional responsibilities. Members are expected to observe the highest standards of conduct, integrity and competence in all their professional and business activities. Members have a responsibility to take into consideration the public interest, maintain the confidence and trust of customers, employers, business partners and other stakeholders, and uphold the reputation of the banking profession.
- 3.2 This Code sets out the principles of professional conduct expected of Members and provides interpretations and guidance for each principle to help Members recognise and demonstrate appropriate attitudes and behaviours in the performance of their professional responsibilities. Members should be guided not merely by the terms but also the spirit of this Code.

- 3.3 All Individual Members of the Institute are required to adhere to this Code. Failure to comply with the Code may result in a Member becoming liable to disciplinary action by the Institute.
- 3.4 Although Corporate Members are not bound by this Code, they are encouraged to subscribe to the Code and to embed its principles within their organisations.

4. Principles of Professional Conduct

4.1 Members of the Institute shall apply and uphold the following principles:

- **Responsibility:** Members shall observe the highest standards of ethical and professional conduct, comply with relevant laws and regulations, promote a culture of professionalism within their organisations, and maintain the reputation of the banking profession and of the institute.
- **Integrity:** Members shall act in a straightforward, honest and trustworthy manner and not knowingly mislead or deceive customers or others.
- **Objectivity:** Members shall act impartially and not allow self-interest, bias or conflict of interest to influence business decisions or judgements.
- **Respect:** Members shall behave with courtesy and treat all customers, colleagues and others with respect and dignity.

- **Competence and Due Care:** Members shall maintain professional knowledge and skills at a level needed for providing competent professional services to customers or employers based on the latest developments in practice, laws and standards, act diligently and discharge professional responsibility to the best of the Member's ability.
- **Confidentiality:** Members shall treat information acquired in the course of professional work with appropriate confidentiality and sensitivity and not use the information for personal advantage or any other party's benefit.

5. Interpretation and Guidance

5.1 Responsibility

5.1.1 The principle of responsibility requires Members:

- To adhere to the standards of ethics and professional conduct set out in this Code and exercise sound judgement in carrying out professional responsibilities;
- To comply with relevant laws, rules and regulations;
- To promote the Institute's values and mission and a culture of professionalism within the employing organisations; and
- To refrain from any conduct that may bring discredit to the banking profession or compromise the reputation of the Institute.

- 5.1.2 Membership of AICB implies that a duty of care is accepted by every Member in discharging their professional responsibilities. Members shall be guided by the highest standards of professional conduct and competence as set out in this Code and exercise unprejudiced and unbiased judgements when performing their professional services.
- 5.1.3 Members must understand and shall comply with all applicable laws and regulations that govern their professional and business activities, including rules and statutory requirements of the regulatory authority or licensing agency. Members may consult with and rely on the advice of other qualified persons in the application of such laws, rules and regulations. Members must not knowingly participate or assist in any violation of such laws, rules and regulations.
- 5.1.4 Members shall seek to promote the Institute's values and mission, and assist their employers in embedding a culture of professionalism within their organisations. Members shall exhibit personal leadership as a role model for maintaining the highest standards of ethical and professional conduct. Members in supervisory roles should guide and advise staff in resolving ethics and business conduct issues and promote an atmosphere for candid discussion on such matters. Members in senior management positions have a particular responsibility to establish "tone from the top" and shall make reasonable efforts to ensure that all staff observe the standards of ethical and professional conduct as well as laws and regulations.

- 5.1.5 Members shall not engage in any activity or conduct that detracts from the reputation of the Institute or bring the banking profession into disrepute. Members shall uphold the professional standards of the Institute and act with integrity, diligence, fairness and respect towards customers, colleagues and others with whom they come into contact in a professional capacity. Members have a continuing responsibility to uphold the good standing and reputation of the banking profession and of the Institute.

5.2 Integrity

- 5.2.1 The principle of integrity requires Members to be straightforward and honest in the performance of all professional responsibilities, which must not be subordinated to personal gain and advantage.
- 5.2.2 Integrity is measured in terms of what is right and truthful. It can accommodate inadvertent error and honest differences of opinion, but it cannot accommodate deceit or subordination of principle. In the performance of any professional service, a Member shall not knowingly misrepresent facts, make misleading or false statements or withhold information which, if known, would render a statement misleading or incomplete. A Member shall not engage in dishonest behaviour with the intention of personal gain or at the expense of others.
- 5.2.3 Banking is founded on mutual trust and public confidence. To maintain and broaden that trust and confidence, Members must demonstrate the highest standards of integrity in all their professional and business activities.

5.3 Objectivity

- 5.3.1 The principle of objectivity requires Members to be impartial and free of conflict of interest in performing professional responsibilities. A Member shall not compromise his business decisions and judgement because of competing self-interest, bias or conflict of interest.
- 5.3.2 Members must be alert to and manage potential conflicts of interest which may arise whilst undertaking professional services. In determining whether a circumstance or relationship may create a conflict of interest, a Member should use professional judgement, taking into account whether a reasonable and informed third party, weighing all the specific facts and circumstances available to the Member, would conclude that a conflict of interest exists.
- 5.3.3 Members should avoid conflict between their own interests and those of a customer, employer or other stakeholders. When a conflict of interest exists, the Member should disclose the nature of the conflict to the relevant parties, including to the appropriate levels within the employing organisation, and obtain their consent to perform the professional service. Unless such consent is obtained, the Member should withdraw from the decision making process related to the matter giving rise to the conflict of interest.
- 5.3.4 A Member may be offered gifts, hospitality or rewards by a customer or vendor of the employing organisation. Any acceptance of such offers which are made in an attempt to influence the Member's actions or decisions is likely to lead to a conflict of interest. Even where no conflict of interest occurs, the perception of such a conflict is likely to arise. Members should be guided in the first instance by the internal policies of the employing organisation and where appropriate, immediately inform higher levels of management when such offers have been made.

5.3.5 When addressing a conflict of interest, a Member is encouraged to seek guidance from within the employing organisation or from others, as may be appropriate, such as a professional body, legal counsel or an independent professional advisor. When making disclosures and seeking the guidance of third parties, the Member shall remain alert to the principle of confidentiality.

5.4 *Respect*

5.4.1 The principle of respect requires Members to conduct themselves with courtesy and display an attitude of esteem towards all with whom they come into contact when performing their professional services.

5.4.2 Members shall treat all customers, colleagues, business partners and the wider community with respect and dignity. An environment of respect engenders integrity, mutual trust and confidence, which underpin the orderly functioning of banking. Members shall not exercise the power of their expertise or position to influence the decisions and actions of others in order to benefit personally at their expense. Members shall honour the choices, preferences and boundaries of privacy in all their interactions. Members shall not act in a manner which can be considered as abusive, offensive or discriminatory.

5.5 *Competence and Due Care*

5.5.1 The principle of competence and due care requires Members:

- to maintain their professional knowledge and skills at a level required to ensure that customers or employers receive competent professional services;

- to act diligently in accordance with applicable technical and ethical standards; and
- to discharge professional responsibility to the best of the Member's ability.

5.5.2 The maintenance of professional competence requires a commitment to learning and professional improvement on a continuing basis. Members must keep abreast of the current developments in relevant technical and professional standards, legislations and regulatory requirements, as well as changes in the business environment. Participation in the Institute's continuing professional development (CPD) programmes will assist Members to develop and maintain their professional competence.

5.5.3 Diligence encompasses the responsibility to act in accordance with the requirements of an assignment and exercise reasonable care, independence and thoroughness. Members shall also take into account applicable technical and ethical standards, as well as laws and regulations. Members shall perform professional services to the best of their ability and on a timely basis.

5.5.4 Members shall accept responsibility and be accountable for their actions and decisions, and for the impact these may have on others including customers, colleagues, employers, business partners and the community. Members should consider the risks and likely consequences of any actions taken or advice provided on the stakeholders concerned and take appropriate steps to mitigate such risks where possible.

5.5.5 A Member shall only undertake to perform professional services for which he has the necessary competence based on his education, training or experience. A Member shall not intentionally mislead a customer or employer as to the level of expertise or experience possessed, and shall promptly seek appropriate expert advice and assistance when required.

5.6 Confidentiality

5.6.1 The principle of confidentiality requires Members to refrain from disclosing confidential information acquired as a result of professional or business relationships and from using such information to their personal advantage or the advantage of third parties.

5.6.2 One of the basic tenets on which banking has been founded is confidentiality of information. Any information about a customer's or employer's affairs, however gained, is confidential and must not be disclosed outside the employing organisation other than in exceptional circumstances.

5.6.3 A Member shall maintain confidentiality of information disclosed by a customer or employer. This requirement extends to past, present and prospective customers, as well as to fellow employees and third parties from or about whom information has been received in confidence.

5.6.4 Members should be alert to the possibility of inadvertent disclosure of confidential information, particularly to a close business associate or close relative or immediate family member. Members shall exercise due care to ensure that any communication by word of mouth, by writing, by electronic means or any other form of communication is treated with the utmost secrecy and sensitivity.

- 5.6.5 A Member shall take reasonable steps to ensure that staff under his control and persons from whom advice and assistance are obtained are aware of the confidential nature of the information and respect his duty of confidentiality.
- 5.6.6 The requirement to maintain confidentiality of information continues even after the end of the relationship between a Member and a customer or employer. When a Member changes employment or acquires a new customer, he is entitled to use experience or expertise gained through prior relationships. A Member shall not, however, disclose or use any confidential information acquired as a result of a prior relationship to his personal advantage or the advantage of a third party, such as a current or prospective employer or customer.
- 5.6.7 The following are circumstances where a Member may disclose confidential information:
- (a) Disclosure is authorised by the customer or employer and is permitted by law;
 - (b) There is a legal duty to disclose, for example:
 - production of documents or other provision of evidence in the course of legal proceedings;
 - disclosure to the appropriate public authorities of infringements of the law that comes to light, for example in connection with anti-money laundering or anti-terrorist legislation;

- (c) There is a professional duty or right to disclose, when not prohibited by law:
- to comply with technical standards and ethics requirements;
 - to respond to an inquiry or investigation by the Institute or regulatory body; or
 - to protect the interests of the Member in legal proceedings.

5.6.8 A Member may wish to consult with his counsel when considering disclosure of confidential information.