

CODE OF PROFESSIONAL CONDUCT

Key Facts: Applies to all members

Introduction

All individuals working in the banking and financial services industry are required to act in a fair and honest manner. This is to protect the interests of customers, colleagues and counterparties; and the wider interests of society as a whole. As a minimum, compliance with legislation, regulation and industry/employer codes and standards is expected.

Membership of the Institute of Bankers in South Africa (IOBSA) brings with its additional responsibilities. All members (in all designation categories) are expected to display the highest standards of professionalism and a commitment to ethical conduct, giving at all times due care and consideration to others and putting the public interest first.

To help members maintain these high standards, the Code of Conduct identifies key attitudes and behaviours expected of members and provides guidance to help members recognize and develop appropriate behaviours. Failure to meet the high standards expected may result in suspension or expulsion from IOBSA.

The IOBSA Code of Professional Conduct

As a member of IOBSA I will:

- ✓ At all times act in a professional and ethical way and uphold the highest standards of honesty, trust, fairness, integrity and diligence.
- ✓ Consider the risks and implications of my actions, be accountable for them, and for the impact my actions may have on others.
- ✓ Comply with all current regulatory and legal requirements, and endeavour to follow best industry practice.
- ✓ Treat information with appropriate confidentiality and sensitivity.
- ✓ Be alert to and manage potential conflicts of interest which may arise whilst performing my role, and not act for personal gain or advantage.
- ✓ Treat all customers, colleagues and counterparties with respect and take responsibility for the advice and services provided to them.
- ✓ Lead by example and act as a positive role model to others.
- ✓ Continuously develop and maintain my technical and professional knowledge and competence.
- ✓ Uphold the name and reputation of IOBSA, the banking profession and the financial services industry as a whole.

Guidance on the IOBSA Code of Professional Conduct

Institute of Bankers in South Africa (IOBSA).

To help members develop and demonstrate these attitudes and behaviours in the workplace, guidance for each principle is set out below.

As a member of IOBSA I will:

1. At all times act in a professional and ethical way and uphold the highest standards of honesty, trust, fairness, integrity and diligence.

The ethical conduct of banking and financial services and the reputation of the financial services profession depend to a large extent on the approach and attitude of individual financial services professionals at all levels.

Standards of ethics and professionalism cannot be created or maintained by written rules alone: ultimately the ethical conduct of banking depends upon the integrity and behaviour of those engaged as professionals in the industry.

Banking and financial services is founded on mutual trust and public confidence; consequently, all persons engaged in this field must be conscious of the need to maintain the highest standards of personal integrity in order to safeguard that trust and confidence.

Personal integrity is a quality which implies adherence to generally accepted principles of honesty and fair-mindedness. Members should conduct themselves in an entirely honest and honourable manner and their business dealings should always be fair minded and inspire confidence. They are expected to show the highest standards of ethics and professionalism in all their dealings.

2. Consider the risks and implications of my actions, be accountable for them, and for the impact my actions may have on others.

Members should be aware of the potential impact their decisions and actions may have on others, including customers, counterparties, colleagues, employers and the community. They should think through the likely consequences of actions, seek to identify the risks to all stakeholders involved in a course of action and take steps to mitigate such risks where possible.

For example – deliberately over-estimating a customer's annual income on a mortgage application to help them purchase property may appear to be helping an individual improve their standard of life, but can have serious future negative consequences.

3. Comply with all current regulatory and legal requirements, and endeavour to follow best industry practice.

Members should observe and comply with all relevant laws and regulations of countries in which they conduct business.

It can be difficult for members to identify examples of best practice outside their own organisations, but by participating in Continuous Professional Development (CPD) and networking events, expertise and experience can be shared between individuals and organizations to the benefit of all.

4. Treat information with the appropriate confidentiality and sensitivity.

One of the basic tenets on which banking and financial services has been founded is confidentiality of information. Any information acquired in the course of professional work must not be disclosed other than in exceptional circumstances.

While this section clearly covers information regarding the employer's customers, it should also be remembered that it covers the privacy of the employer, of fellow employees and any other individual or grouping where the information acquired has been obtained in confidence and is not generally available elsewhere. Considerable care must be exercised 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.

The exceptional circumstance under which information may be disclosed includes the following, although this is by no means exhaustive:

- where consent has been obtained from the client or customer;
- where there is a public duty; and
- where there is a legal duty.

As recent examples from the banking industry and elsewhere have shown, members need to be especially vigilant in safeguarding items such as laptops, computer discs and memory cards that may hold very large amounts of confidential data. Safeguards relate not only to the physical safety of these items but also to ensuring that appropriate encryption and protection is used at all times.

5. Be alert to and manage potential conflicts of interest which may arise whilst performing my role, and not act for personal gain or advantage.

Conflict between an individual's private interests and those of an employer or customer should be avoided. Where this situation may arise, the member should initially refer to internal codes of conduct or similar for managing these conflicts. Most such conflicts can be satisfactorily resolved by following appropriate codes and guidance.

Any acceptance of gifts, services or rewards which could affect the independent judgment of a member is likely to lead to a conflict of interest and is highly dangerous.

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 internal policies of their employer and those in common use in the sector.

6. Treat all customers, colleagues and counterparties with respect and take responsibility for the advice and services provided to them.

Members should remember that the way we treat our customers, colleagues and counterparties can have an impact on their lives and on the lives of others. Integrity in relationships with those to whom professional services are being rendered is one of the foundations on which banking has been built.

A member must be careful to ensure that the legal requirements are followed when advice is being sought by, and advice is being given to, a customer. A member must also be aware when it would be inappropriate to proffer any advice. The rules for this must be scrupulously observed.

7. Lead by example and act as a positive role model to others.

Members should model positive behaviours that reflect the values and attitudes set out in this Code. Members in senior and leadership roles have a particular responsibility to establish "tone from the top" but all members should encourage colleagues to adopt the highest standards of ethical and professional behaviour.

Members should help colleagues develop their professional and technical knowledge and skills where appropriate. This may take the form of mentoring, encouraging and supporting colleagues.

For example, members in leadership roles may encourage their team to debate and discuss ethical dilemmas and consider how they may deal with similar situations should they arise.

8. Continuously develop and maintain my technical and professional knowledge and competence.

Members should equip themselves to carry out their duties with proper regard to the technical and professional standards expected of qualified financial services professionals.

Constant and rapid change is a permanent feature of banking and financial services, and members should keep abreast of current developments to ensure that their particular expertise is constantly kept up-to-date.

All members are expected to keep their technical and professional knowledge and skills up to date, whether formally or informally and to assist in this participation in the Institute's (CPD) scheme is a mandatory requirement for all members who attain a professional designation.

9. Uphold the name and reputation of IOBSA, the banking profession and the financial services industry as a whole.

Membership of the IOBSA is a privilege which carries duties and responsibilities. It is incumbent on members to uphold the professional standards of the IOBSA and to act with complete integrity towards customers, colleagues, counterparties and others with whom they may come into contact in a professional capacity.

Where appropriate, all members should seek to promote the aims and objectives of the IOBSA, and assist IOBSA and their employer in embedding a culture of professionalism within their organization.