



CODE OF ETHICS FOR THE FINANCIAL SERVICES INDUSTRY

December 2015

ABOUT THE FINANCIAL SERVICES PROFESSIONAL BOARD

The Financial Services Professional Board ("**FSPB**") is an industry-led voluntary initiative that was launched in Kuala Lumpur, Malaysia by Bank Negara Malaysia and Securities Commission Malaysia on 24 September 2014. It comprises a group of prominent individuals from the financial services industry ("**FSI**") and related industries. The aim of FSPB is to support a strong culture of professionalism and ethics across the FSI through the development and advocacy of professional and ethical standards that are applicable across the FSI, including banking, capital markets, insurance and Islamic finance.

CODE OF ETHICS FOR THE FINANCIAL SERVICES INDUSTRY

Part A Introduction

1. This Code of Ethics for the Financial Services Industry ("**Code**") is a public recognition by the financial services industry ("**FSI**") of the critical and privileged role that it plays in society and the acceptance by the FSI of the responsibility upon organisations and individuals across the industry to consistently adhere to a high standard of professionalism and ethics in the conduct of their business and professional activities.
2. A high standard of professionalism and ethics requires organisations and individuals across the FSI to serve the legitimate interest of their customers and clients in an open and transparent manner, with the highest standards of professional and ethical behaviour, whilst upholding and promoting the interest of the industry as a whole for the benefit of society and the environment.
3. The FSI is interconnected, complex and increasingly globalised. Maintaining and strengthening a strong culture of professionalism and ethics that is anchored in a set of core ethical principles that apply across the industry will contribute towards stronger financial consumer protection and a more resilient financial system, thereby helping to secure the credibility and sustainability of the industry and through that, enhance the overall reputation of and reinforce public trust in the industry. This can be achieved through the universal adoption of an internationally acceptable code of ethics by organisations and individuals across the FSI and by organisations across the industry having an effective implementation system in place to enforce it.
4. This Code sets out the core ethical principles to which organisations and individuals across the FSI should adhere, both in letter and in spirit, and on which they can rely for guidance in decision-making and their conduct.
5. This Code applies to organisations, including institutions, and individuals across the FSI. The industry comprises a wide spectrum of sectors, including banking, insurance, capital markets and Islamic finance, and serves a diverse range of customers and clients, including individuals, families, businesses, governments and civic organisations, who have varying degrees of sophistication in their financial literacy and skills.

6. This Code has been developed by the Financial Services Professional Board ("**FSPB**") through a working group comprising leaders in the industry as well as subject matter experts and in consultation with industry participants. It does not replace any relevant laws and regulations. Instead, this Code complements a formal system of regulation and contributes towards public oversight of the FSI through a publicly available, voluntary, principles-based code of ethics developed "by the industry, for the industry, in the public interest."

Part B

Code of Ethics

For The Financial Services Industry

Organisations and individuals across the financial services industry shall continuously uphold and abide by the following ethical principles that are vital to the achievement of a high standard of professionalism and ethics across the industry:

Principle 1: Competence

Individuals across the financial services industry shall develop and maintain the relevant knowledge, skills and behaviour to ensure that their activities are conducted professionally and proficiently. This includes acting with diligence, as well as obtaining, and regularly updating, the appropriate qualifications, training, expertise and practical experience.

Principle 2: Integrity

Organisations and individuals across the financial services industry shall be honest and open in all their dealings. This includes behaving in an accountable and trustworthy manner, and avoiding any acts that might damage the reputation of, or bring discredit to the industry at any time.

Principle 3: Fairness

Organisations and individuals across the financial services industry shall act responsibly and embrace a culture of fairness and transparency. This includes treating those with whom they have professional relationships with respect and ensuring that they consider the impact of their decisions and actions towards all stakeholders.

Principle 4: Confidentiality

Organisations and individuals across the financial services industry shall protect the confidentiality and sensitivity of information provided to them. This includes using it for its intended purposes only and not divulging information to any unauthorised persons, including third parties, without the necessary consent from those involved unless disclosure is required by law or regulation.

Principle 5: Objectivity

Organisations and individuals across the financial services industry shall not allow any conflict of interest, bias or undue influence of others to override their business and professional judgment. They shall declare, to those concerned, all matters that could impair their objectivity.

Part C

Recommended Steps on The Adoption and Implementation of This Code

1. Organisations and individuals across the FSI should adopt this Code in its entirety.
2. This Code, being a principles-based code of ethics, requires every organisation across the FSI to establish their own effective implementation system to fully integrate its principles throughout the organisation.
3. Organisations across the FSI should also establish their own system to monitor and demonstrate evidence of adherence to the spirit of this Code. An audit should be conducted if deemed necessary.
4. The following are the recommended steps on the adoption and implementation of this Code by organisations across the FSI:

Step 1: Adoption

The Board of Directors of organisations across the FSI should require their organisations to adopt and uphold this Code in its entirety. Where an organisation does not have an existing written code of ethics, it should produce one based on the principles in this Code and, where appropriate, enhance it accordingly for its purpose and environment. Where an organisation has an existing written code of ethics, it should review the code and, where appropriate, harmonise and enhance it to meet the principles in this Code.

Step 2: Commitment

Leaders, beginning with the Board of Directors, and managers of organisations across the FSI should demonstrate sustained commitment towards the principles in this Code by continuously striving to uphold them and to communicate their importance to all concerned parties, including employees, agents and relevant third parties such as vendors, suppliers, contract workers or outsourced parties, on a regular basis.

Step 3: Implementation

Organisations across the FSI should embed the principles in this Code in their governance, policies and everyday conduct. This includes:

- Requiring new and existing employees, agents and relevant third parties such as contract workers or outsourced parties who provide financial services to or on behalf of the organisation to sign a commitment to uphold the principles in this Code. This requirement may be addressed in appropriate contracts of employment or engagement;

- Providing or encouraging the provision of appropriate training and refresher programmes on the principles of this Code for new and existing employees, agents and relevant third parties such as contract workers or outsourced parties who provide financial services to or on behalf of the organisation;
- Having policies and procedures that reinforce the adherence to the principles of this Code and that clearly outline and describe the implications and repercussions of any violation of the principles in this Code by an employee, agent and relevant third party such as a contract worker or outsourced party who provide financial services to or on behalf of the organisation. This may be fulfilled through the organisation's disciplinary policy and procedure and/or other relevant policies and procedures such as internal policies and procedures that relate to third party arrangements and agreements;
- Having an effective performance management system that encourages the adherence to the principles in this Code;
- Appointing a designated senior level person or establishing a committee within the organisation, to be charged with the handling of ethical issues, including the adoption and implementation of this Code. The designated person or committee should report to the Board of Directors; and
- Ensuring a conducive environment for employees, agents and relevant third parties such as vendors, suppliers, contract workers or outsourced parties, to raise ethical concerns without fear of repercussions through the development of clear "speak-up" and "whistle-blowing" policies and procedures.

Step 4: Publish and Publicise

Organisations across the FSI should publicise this Code widely within the organisation and externally, including to customers and clients as well as shareholders. This may entail:

- Publishing this Code using a combination of methods, including publishing this Code in the organisation's annual, sustainability or other appropriate reports as well as on its websites;
- Ensuring this Code is visible and easily accessible in the work place; and
- Translating this Code into other languages as appropriate.

Step 5: Impact Measurement

Organisations across the FSI should develop a set of indicators that enables the monitoring of the impact of this Code across their business operations. The impact measurement should validate the degree of adherence to the Code and assist the Board of Directors and managers to identify and address any gaps. Where organisations use customer or employee satisfaction surveys, they should gather feedback on whether the principles of this Code are being followed or practised.

Step 6: Public Declaration

Organisations across the FSI that have incorporated all the principles in this Code in their respective written codes of ethics should publicly declare their code's full alignment with this Code as well as their endorsement of and adherence to this Code. However, in the event of any non-adherence to this Code, the FSPB shall not be responsible for such non-adherence. In addition, the FSPB retains the right to withdraw or refute any form of endorsement or declaration by anyone who has failed to adhere to this Code.

Part D
Guidance On and Review of This Code

1. The FSPB will, from time to time, provide additional guidance on the application, adoption and implementation of this Code.
2. The FSPB will, from time to time, also review and revise this Code to address the evolving needs and expectations of the industry and the public.

December 2015

MEMBERS OF THE FINANCIAL SERVICES PROFESSIONAL BOARD

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(Resigned wef 31 August 2015)

Chairman, Maybank

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