

Code of Conduct

Standard GEN.S. 10.9

made by NAMFISA under subsections 410(2) (bbb), 410(4)(q) and 410(6)(u) of the Financial Institutions and Markets Act, 2021

CODE OF CONDUCT

1. Citation of standard

This Standard may be cited as Standard GEN.S.10.9.

2. Interpretation of standard

This Standard applies to all financial institutions and financial intermediaries registered under the Act.

3. General Requirements

(1) The board of every financial institution and the board of a financial intermediary must ensure that a Code of Conduct is in place, containing the elements described in clause 4(1) and followed by all board members, directors, principal officer, other officers, trustees, custodians and employees

(2) A financial intermediary who is an individual and who is not employed by a financial institution or another financial intermediary that is an entity, must ensure that he or she has a code of conduct in place, containing the elements described in clause 4(1) in so far as applicable and that such Code is followed by all employees.

4. Basic Elements

(1) The basic elements of the Code of Conduct are:

- (a) *Code of Conduct Policy*: this is a policy statement that defines ethical standards for conduct;
- (b) *Conflicts of Interest*: the code must include a definition of “conflicts of interest” and policy statement on:
 - (i) conflicts of interest;
 - (ii) actions that are required to be taken where conflicts of interest arise or are likely to arise, including disclosure and recusal; and
 - (iii) sanctions for breaches of the Code of Conduct involving conflicts of interest;
- (c) *Legal Compliance*: this requires the board, directors, principal officer, other officers, trustees, employees and all employees to abide by the Act and all other applicable laws, including rules, regulations and standards relevant to the financial institution or financial intermediary;
- (d) *Company or Individual Information and Assets*: the Code of Conduct should include standards relating to the:
 - (i) reporting of audited financial statements and other operational information to customers;
 - (ii) treatment of confidential information; and
 - (iii) fiduciary responsibilities.
- (e) *Workplace Practices*: the Code of Conduct should provide for ethical behavior, reporting of dishonest, unethical or illegal activities, and compliance with the Code of Conduct and the Act and other applicable laws, including provisions regarding authorisation to enter into contracts on behalf of the financial institution or financial intermediary and sanctions for such actions taken without such authority;

(f) *Confidentiality*: the Code of Conduct should provide for the maintenance of confidentiality with respect to all information regarding the financial institution or financial intermediary and all stakeholder information, and for oaths of confidentiality by members of the board and management; and

(g) *Reporting, Enforcement and Sanctions*: the Code of Conduct should provide for recording and reporting serious breaches of the Act, other applicable laws, rules, regulations, standards or the Code of Conduct to NAMFISA, provide for procedures for enforcement of the Code of Conduct, including investigations and disciplinary action, and provide for clear, appropriate and proportional sanctions for such breaches.

(h) *Appropriate sanctions*: must be proportional to any breaches of the code of conduct and for the consistent application of such sanctions. The code of conduct should provide, at a minimum, the following:

- i. procedures for the enforcement of the code of conduct, including investigations and disciplinary action;
- ii. clear sanctions;
- iii. oaths of confidentiality by members of the board and management; and

(2) records of and reporting on breaches of the code of conduct and sanctions. as the elements of the Code of Conduct are concerned, it is expected that the board and management of a financial institution or financial intermediary and a financial intermediary who is an individual, shall exercise discretion in ensuring that the following principles are taken into account:

(a) act in good faith and in the best interest of the financial institution or financial intermediary and customers;

(b) act with prudence and reasonable care;

(c) act with skill, competence and diligence;

(d) maintain independence and objectivity by, among other actions, avoiding conflicts of interest, refraining from self-dealing, and refusing any gift that could reasonably be expected or perceived to affect conduct;

- (e) comply with the Act, all other applicable laws, rules, regulations, standards or other subordinate measures, and constitutive documents and the Codes of Conduct of the financial institution or financial intermediary;
- (f) deal fairly, objectively, and impartially with all customers;
- (g) take actions that are consistent with the established objectives of the financial institution or financial intermediary and the policies that support those objectives and to review on a regular basis the efficiency and effectiveness of the financial institution or financial intermediary in meeting its goals, including assessing the performance and actions of its financial service providers;
- (h) maintain confidentiality of the financial institution or financial intermediary and stakeholder information; and
- (i) communicate with stakeholders, NAMFISA and other supervisory authorities in a timely, accurate, and transparent manner.