

CODE *of* CONDUCT

IN

THE NIGERIAN BANKING INDUSTRY

(PROFESSIONAL CODE OF
ETHICS & BUSINESS CONDUCT)



THE CHARTERED INSTITUTE
OF BANKERS OF NIGERIA



CENTRAL BANK
OF NIGERIA

Approved by the **BANKERS' COMMITTEE**

CODE OF CONDUCT
IN THE NIGERIAN BANKING INDUSTRY
(PROFESSIONAL CODE OF ETHICS
AND BUSINESS CONDUCT)

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**CODE OF CONDUCT IN THE NIGERIAN BANKING
INDUSTRY**
(Professional Code of Ethics and Business Conduct)

Acronyms:

BBCEN:	Body of Banks Chief Executives in Nigeria
BC:	Bankers' Committee
BCIP:	Bankers' Committee Investigating Panel
BCSEP:	Bankers' Committee Sub-Committee on Ethics & Professionalism
BOFIA:	Banks & Other Financial Institutions Act
CAMA:	Companies & Allied Matters Act
CBN:	Central Bank of Nigeria
CCCOBIN:	Committee of Chief Compliance Officers of Banks in Nigeria
CCSOB:	Committee of Chief Security Officers of Banks
CIBN:	Chartered Institute of Bankers of Nigeria
EFCC:	Economic and Financial Crimes Commission
FIRS	Federal Inland Revenue Service
ICPC:	Independent Corrupt Practices and Other Related Offences Commission
NDIC:	Nigeria Deposit Insurance Corporation
NDLEA:	National Drug Law Enforcement Agency
OFID:	Other Financial Institutions Department
SIID:	Special Insured Institutions Department
DH:	Discount Houses

1.0 PREAMBLE:

- 1.1 This Code cannot and does not prescribe behaviour for every eventuality. The overall objective of this Code is to ensure strict adherence to best banking practices and strong commitment to ethical and professional standards in behaviour in the Nigerian banking industry.
- 1.2 This Code of Conduct (the Code) extends to all Executive Directors, Managers, Officers, Supervisors and Employees including full-time, part-time, temporary, Casual and in-sourced employees of all banks/Discount Houses in Nigeria, who are urged to read the Code carefully and commit themselves to its letters and spirit. This Code shall be read along with the subsisting Chartered Institute of Bankers of Nigeria Act, Banks and Other Financial Institutions Act, Central Bank of Nigeria Act; Nigeria Deposit Insurance Corporation Act; Companies and Allied Matters Act, and all regulations relating to Banks and banking business in Nigeria, including Circulars and Guidelines from CBN and other Regulatory/Supervisory bodies, Code of Corporate Governance for Banks in Nigeria, Code of Conduct for Nigeria Deposit Insurance Corporation, (NDIC) Examiners, Code of

Conduct for Central Bank of Nigeria (CBN) Examiners and Code of Best Practices and Corporate Governance in Nigeria, as well as Code of Conduct for each Corporate member of The Chartered Institute of Bankers of Nigeria.

- 1.3 A member of the Institute has responsibilities to his employer, customer, the general public, the government in Nigeria and the Institute. The Institute requires its members, as a matter of necessity, to recognize these responsibilities in the conduct of their businesses and to strictly adhere to this Code. The Code provides the procedure for dealing with complaints of unethical and unprofessional practices and the sanctions for infractions of its provisions. Sections 1 and 2 of the Code address issues relating to individual members, while Section 3 addresses issues concerning corporate members. Members shall operate within the statutory, legal and regulatory framework of the banking industry in particular and the country in general.

2.0 DEFINITIONS AND INTERPRETATIONS

In this Code:

- a) **“Employee”** means an individual employed/appointed/engaged/recruited by any bank or other institutions within the banking industry in Nigeria.
- b) **“Employer”** means a corporate entity within the banking industry that engages/hires an individual to provide services in exchange for remuneration - salaries/wages.
- c) **“Institute”** means The Chartered Institute of Bankers of Nigeria.
- d) **“Member(s)”** means individuals and corporate members of the CIBN and other employees engaged in the banking industry
- e) **“Service Provider”** means a person (Corporate/individual) who in consideration of remuneration received or to be received either by himself or in partnership with any other person –
 - i) engages himself in the practice of banking or holds himself out to the public as a member of the banking profession; or
 - ii) renders professional service or assistance in or about matters or principle or detail relating to banking procedures; or

- c) renders any other service which may by regulations made by the Council, be designated as service constituting practice as a member of the banking profession.

In this Code, unless the context otherwise requires:

- a) References to any gender include all genders
- b) Words in the singular shall include the plural and in the plural include the singular
- c) Reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time
- d) Reference to statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision
- e) Any words following the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- f) A person includes a natural person or corporate body and that person's personal representatives, successors or permitted assigns
- g) The headings in this Code do not affect its interpretation.

3.0 OBJECTIVES

This Code of Conduct provides a framework to:

- a. Guide every member, both individual and corporate, in meeting their obligations to customers and other stakeholders by maintaining and improving standard of service, performance and quality of banking products.
- b. Ensure that all bank employees shall conduct their duties fairly and honestly.
- c. Maintain the best banking practice and strong commitment to sound ethical and professional standards in the banking industry.
- d. Guide stakeholders within the banking industry to comply with applicable laws and regulations.
- e. Reaffirm and clarify individual and corporate members' rights and obligations.
- f. Enable members to provide a policy to develop and maintain constructive dialogue with, seek assistance and advice from colleagues when faced with difficulties in matters of judgement.
- g. Enable members to provide a policy to avoid acceptance of gifts on services arising from performing their official duties which might influence members' independent judgement.

- h. Enable members to provide a policy to adhere to generally accepted principles of honesty, integrity and fairness so as to uphold the mutual trust and public confidence bestowed upon them.
- i. Enable members to provide a policy to be fair-minded in their day to day dealings both in office and during their social interactions. All bank employees are expected to be committed to high standards of conduct in daily social life in order to uphold the dignity, reputation and good standing of the banking profession.
- j. Promote, both individually and collectively, the efficiency of bank services as an instrument of economic growth.

SECTION 1:
PROFESSIONAL CODE OF CONDUCT FOR
INDIVIDUAL MEMBERS

1.1 Core Principles

A member shall:

- i. Conduct himself in relation with customers and third parties on principles of Honesty, Integrity, Diligence, Credibility, Transparency, Fairness, and Trust.
- ii. In the performance of his professional duties as a banker, attain appropriate levels of professional education/certification, training, competence, skill and expertise.
- iii. Advise his customers where necessary without deliberately misleading them.
- iv. Abstain from discrimination but treat all customers and co-employees equally regardless of age, sex, religion, ethnicity, status, colour, language, disability, etc.
- v. Exercise care and caution while discharging his duties.
- vi. Abstain from verbal and physical assaults of customers, co-employees and other stakeholders.

1.2 Confidentiality/Dissemination of Information

A member shall:

- i. Not in the course of discharging his professional duties, knowingly or recklessly disseminate false or misleading information to his customers or any other party.
- ii. Not disclose or permit the disclosure to any third party, any confidential information concerning his employer's or his customers' business during or after employment except as required or permitted/enjoined by law, thus:
 - a. Where a bank is compelled by a court of competent jurisdiction or regulatory provision to do so;
 - b. Where there is a duty to the public to disclose;
 - c. Where the interest of the bank requires disclosure; and
 - d. Where disclosure is made at the request, or with the consent (express or implied) of the customer.
- iii. Sign a Declaration of Secrecy to bind himself to confidentiality of information.

1.3 Conflict of Interest

- i. A member shall, at the earliest opportunity, bring to the notice of his employer, customers, or any third party, in all cases, where conflicts of interest arise in the discharge of his duties to such employers, customers or third party.
- ii. Where the terms of service agreement of a member with his employer are in conflict with this Code, the provisions of the Code shall prevail.

1.4 Litigation against a member:

- i. Prior to the pursuit of any legal redress on civil matters against an individual member, the institution (Bank/Discount House) shall first explore all internal redress processes/procedures within the Institute, including the Investigating Panel.
- ii. No member shall seek redress for any act (perceived or actual) of wrong-doing on matters relating to the Institute's affairs through legal action without first reporting to and obtaining a response from the Governing Council of the Institute within a reasonable period which shall not exceed 90 days from the date of report.
- iii. A member shall be given opportunity to seek redress in respect of any matter falling within the purview of

this Code with his employer through the Institute before exercising the right to go to the court of law, where necessary.

1.5 Association

A member shall not knowingly do business with people of questionable character and integrity.

1.6 Sexual Harassment

- i. Members, of either sex, shall not sexually or otherwise harass each other.
- ii. Sexual harassment shall include but not limited to situations where a member/employee uses or attempts to use his/her position to seek/obtain sexual gratification from another who may succumb in fear of adverse consequences on his/her employment/business.

1.7 Dressing

Members shall dress in line with the dress code of his/her institutions without provoking the opposite sex.

1.8 Responsibility

- i. A member shall act and conduct himself in a responsible and professional manner at all times.
- ii. A member shall ensure that major irregularities observed in the work place are reported to designated officers in line with the existing Whistle Blowing Policy where applicable.
- iii. A member shall honour invitations from law enforcement agents in the course of their investigation and act as witness in court/alternative dispute resolution mechanisms when required.

1.9 Accountability

A member shall, in the discharge of his duties, be accountable to his employers, customers/consumers, regulatory authorities, governments, the Institute and the general public.

SECTION 2:
UNETHICAL PRACTICES/UNPROFESSIONAL
CONDUCT FOR MEMBERS

Members are expected to maintain high ethical and professional standards of conduct and practice within and outside the banking industry. In this connection, therefore, certain conducts and practices are classified as unethical/unprofessional for members. These inter alia include but not limited to the following:

2.1 Conflict of Interest

- i. Engaging in activities which compete, interfere with or constrain an employer's primary business and responsibilities.
- ii. Colluding with third parties to undermine the employer's corporate objectives, for example, inflation of contracts.
- iii. Undermining legitimate earnings/interests of the employer.
- iv. Competing with his employer by offering to third party the same services/products offered by the employer.

2.2 Abuse of Trust/Office

Abuse of trust/office shall include but not limited to:

- a) Abuse of position and taking advantage of such position to enrich oneself.
- b) Unauthorized use of customers' names to among others:
 - procure foreign exchange,
 - obtain credit facilities,
 - initiate contracts,
 - transfer funds,
 - withdraw funds, etc.
- c) Exploiting the ignorance of unsuspecting customers, through excessive/unwarranted charges (fees, commissions, etc).
- d) Recommending to and/or influencing the employment of a person proven to be of dubious or questionable character or doubtful integrity.
- e) Knowingly allowing or permitting any fraudulent staff proven by a court of law or the CIBN Disciplinary Tribunal to resign.
- f) Colluding with customers to:
 - i. Jeopardize the interest of the employers, e.g. diversion of credit facilities for unintended/unapproved purposes.
 - ii. Compromise or circumvent underlying terms and conditions or transaction protocol of credit

facilities such that the performance of credit facilities is endangered; etc

- g) Granting of Credits above approved specified limits/approval limit to customers or related party against statutory/regulatory provisions and corporate policies.
- h) Engaging in fraudulent activities in the course of his employment.
- i) Using his position to initiate a contract and award same to himself through related parties.
- j) Transferring depositors' funds in his care to other accounts or persons without appropriate authority.

2.3 Disclosure

- a) Lack of appropriate disclosure in dealing with other players and customers in the market place.
- b) Knowingly understating:
 - The volume of total deposits on which the deposit insurance premium payable to the Nigeria Deposit Insurance Corporation (NDIC) is based;
 - Mandatory reserve requirements prescribed by the Central Bank of Nigeria (CBN).
- c) Imposition of undisclosed charges on customers' accounts without formal advice and agreement.

- d) Imposition of charges and fees alien to Guide to Bank Charges on customers/consumers
- e) Failure to render timely, accurate and complete returns on dismissed/terminated staff to the Central Bank of Nigeria (CBN), Nigeria Deposit Insurance Corporation (NDIC), and Chartered Institute of Bankers of Nigeria (CIBN).
- f) Failure to render timely, complete and accurate returns on eligible credits, to the CBN for Credit Risk Management System (CRMS) and Credit Bureaux.
- g) Failure to promptly report delinquent credit customers to the CRMS of the CBN and licensed Credit Bureaux.
- h) Failure to provide adequate information on all issues as may be required by regulatory/supervisory bodies.
- i) Deliberate refusal to disclose all information and transactions during investigations, supervision and examinations by regulatory/supervisory bodies
- j) Non/inadequate disclosure of Directors, management and related parties credit facilities to the appropriate authorities.

2.4 Misuse of Information

- a) Misuse, manipulation or non-disclosure of material information on products/services and operations provided to the Regulatory and Supervisory

Authorities in order to derive some benefits or avoid liability.

- b) Deliberate rendition of inaccurate or incomplete returns to the Regulatory and Supervisory Authorities with intent to mislead.
- c) Running down competitors (de-marketing) through deliberate misinformation, dissemination of negative information in order to sell products and services or derive benefits.
- d) Misuse of various financial products/services and their derivatives.
- e) Misuse of confidential information obtained in the course of the member's business/employment.
(Liability clauses should be included in legible forms to enable customers to become aware of them).
- f) Use of proprietary or intellectual property of competitors without prior written consent or permission.
- g) Misuse of marketing staff (ladies) as bait to woo customers.

2.5 Insider Abuse

- a. Improper granting of credit facilities to Directors, Management, and other employees and political

interests. (Improper means failure to obtain relevant approval or adequate collaterals, non-perfection of securities or failure to disclose interest).

- b. Conversion of the employer's resources to purposes other than for the business interests of the employer.
- c. Granting of unsecured credit facilities to Directors and other employees of the bank/Discount House in contravention of the provisions of Banks and Other Financial Institutions Act (BOFIA) 1991 (as amended)
- d. Granting of interest waivers on non-performing insider credits without CBN's prior approval as required by BOFIA.
- e. Diversion of banks and Discount Houses employers' assets and earnings e.g. through the use of subsidiaries, "secret accounts" or any other channel thereby denying the banks/Discount Houses of their legitimate assets and earnings.
- f. Failure to keep to the terms of agreement in order to take undue advantage of the unsuspecting customer and third party.
- g. Taking advantage of weaknesses/loopholes inherent in transactions known to him for selfish purposes.
- h. Granting of Credit facilities above his approval limit.
- i. Overriding of internal control systems and procedures for undue/personal advantage

- j. Deliberate violation of laws, statutes and regulations.
- k. Issuance of cheques against Dishonoured Cheques (Offences) Act.
- l. Engaging in money laundering activities or alerting customers /suspected launderers of impending investigation, etc.

2.6 Offer and Acceptance of Gratification

- a) Offering gratifications to Regulators and Supervisors as an inducement to influence them in the conduct of their assignments
- b) Offering gratifications to Inspectors/Compliance officers/Controllers, Auditors (Internal and External),
- c) Offering gratifications to government officials and law enforcement agencies. e.g. Nigeria Police, EFCC, NDLEA, ICPC,FIRS, etc
- d) Applying double standards with the intention to induce offer of gratifications.
- e) Imposing unfair penalties e.g. by the Bank Inspectors/Compliance Officer and Internal Auditors with the intention to induce offer of gratifications.
- f) Offering/acceptance of gratification to/from customers respectively, and potential customers to do business or to earn undeserved favour.

- g) Aiding a customer to evade legitimate charges, e.g. Tariffs, Taxes, Fees, Bank Charges and Commissions, etc, for whatever purpose/reason.

2.7 Non-conformity

- a) Non-conformity with the Central Bank of Nigeria Prudential Guidelines, Statements of Accounting Standards (SAS), International Financial Reporting Standards (IFRS) and any other Standards and/or guidelines prescribed by law or regulation in the preparation of financial statements, resulting in the provision of inaccurate, incomplete or false information.
- b) Preparation of multiple financial statements in order to mislead the regulatory authorities and other stakeholders.
- c) Neglecting to recognize inherent risks in the portfolio of contingent liabilities in financial statements.
- d) Failure to give reference about an employee to another employer.
- e) Failure to settle financial obligations owed to previous employer in line with conditions of service and/or as may be agreed by the parties (employer/employee).

2.8 Aiding and Abetting

- a) Aiding and abetting new staff not to meet financial obligations to previous employer(s).
- b) Aiding and abetting the confirmation of new staff without obtaining satisfactory references, especially from previous employer and/or other institutions.
- c) Aiding and abetting the extension of probation period for confirmation of employment of a new staff beyond six (6) months or any applicable time frame where initial unsatisfactory reference had been obtained in the first instance.
- d) Aiding and abetting deliberate use of female staff for unwholesome conduct/practice, especially in order to lure a high networth customer from another bank.
- e) Turning a blind eye to management, staff, customers and other stakeholders engaged in suspicious activities.
- f) Aiding and abetting customers to circumvent statutory, regulatory and supervisory provisions/guidelines.
- g) Aiding and abetting non-prosecution of employees who engage in fraudulent and other criminal activities.

- h) Refusing to co-operate with law enforcement agents in the course of their investigation and prosecution of suspected employees.

SECTION 3

BANKS AND THEIR CUSTOMERS

3.1 Governing Principles

Banks shall:

- a) Set out the standards of good banking practice which they shall follow in their dealings with their customers and other consumers.
- b) Conduct their business in the best ethical and professional manner consistent with global best practice.
- c) Provide and enforce guidelines to make their staff act ethically and professionally in all their dealings with customers, other banks and stakeholders.
- d) Assist customers to understand the operations, rules, guidelines and regulations as well as products and services and known risks relating to banking operations and services.
- e) Inform their customers of the products and services which are best suited to their needs based on their personal/individual financial situation(s).
- f) Maintain and sustain public trust and confidence in the banking system to ensure its integrity and security.

- g) Operate within the statutory, legal and regulatory framework, in word and deed.
- h) Always place their customers' interests above all others.
- i) Always meet their commitments which shall not be lightly given, and should never be broken.
- j) Repay depositors their deposits at maturity, deliver on their trading contracts and lend on agreed terms and conditions.
- k) Deal only with known parties, i.e. take all reasonable steps to establish that all parties they deal with are *genuine*.
- l) Not pay brokerage/commission to their employees
- m) Disclose, from the beginning, contracts or business which brokerages/commissions are payable and also disclose such payments.
- n) Adopt only ethical and professional practices in their recruitment and deployment of personnel.
- o) Have in place pre-employment background screening process as an effective human risk management tool to provide a degree of certainty that potential employees have desirable background, requisite knowledge and skill for the job.

- p) Provide healthy competition without undermining other Banks'/Discount Houses stability in the course of marketing products and services.
- q) Bring to the attention of their customers various communication channels, e.g. SMS, e-mails and letters through which all forms of information can be conveyed to them.
- r) Inform the customers of all financial transactions in their accounts.
- s) Display high degree of fairness and transparency in the conduct of their business and relationship with other parties.
- t) Keep proper books of accounts and records.
- u) Strictly observe the mandates of their customers.
- v) Put in place a whistle blowing policy and framework.
- w) Sanction employees appropriately for violation of this Code of Conduct
- x) Avoid double standards in the application of sanctions to employees for the violation of this Code of Conduct

3.2 Opening an Account

Banks shall:

- a) As prescribed by the Central Bank of Nigeria, (CBN) under Know Your Customer and his Business (KYCB)

principles, satisfy themselves about the identity, address and business of the person seeking to open and operate a bank account with them in order to assist in protecting their customers, members of the public, themselves and the banking system against frauds and other misuse of the banking system.

- b) Provide to prospective customers at the time of opening an account the details of identification requirements and other documents necessary to ensure that minimum KYCB requirements are in place.
- c) Educate customers on the proper handling and security of cheque books and other security/electronic instruments, e.g. ATM, Mobile phone/internet banking and other payment channels.
- d) Respond to status enquiries from other banks and financial institutions within two (2) weeks of receipt of such requests.
- e) Put in place the KYCB process and ensure compliance in line with the regulatory requirements.

3.3 Terms and Conditions to Customers

All terms and conditions shall be in line with the subsisting laws and regulations.

Banks shall:

- a) Provide to customers clearly written and legally enforceable terms and conditions, expressed in simple language, on the various types of financial products and services offered by them.
- b) Ensure that adequate notice is given to customers about any change in the terms and conditions relating to financial products and services offered. (For changes resulting from administrative or statutory or regulatory actions of the Authorities, for examples notices as contained in the Monetary Policy Circulars (or any other circulars from the Regulatory Authorities), the communication of such notices by a bank to the customer should be considered adequate).
- c) Send comprehensive statements of accounts to customers, at regular intervals or as may be agreed by the parties (except where expressly waived by the customer), in order to enable customers to manage their accounts effectively. Customers should, in addition, be availed the balances in their accounts on request.

3.4 Charges and Interest Payable by Customers/Consumers

Banks shall:

- a) Disclose to Customers/Consumers in sufficient details:
 - i. The basis and amount of charges incidental to the operations of their accounts/transactions.
 - ii. Such charges shall be as contained in the Guide to Bank Charges or any other Guide/Tariff published by the Bankers' Committee, from time to time.
 - iii. Changes in interest rates or other rates/charges when accounts are opened, booking of new transactions or changes in earlier agreed terms, and upon request by customers/consumers.
 - iv. Information about changes in the Guidelines and shall make them available to the customers/consumers.
- b) Provide information on charges for services not covered by the Guide to Bank Charges (provided such services are recognized by the Bankers' Committee at the point of rendering the services or upon request.
- c) Inform their customers of the interest rates that they apply to the debit balances on their accounts, the

- basis on which they are calculated and the timing of the debit.
- d) Inform their customers of the basis on which interest rates and other charges may be varied.
 - e) Give reasonable notice to their customers on changes in rates and charges and obtain acknowledgment.

3.5 Interest Payable to Customers

Banks shall:

- a) Make information freely available and accessible to customers by one or more effective means, about the rates on all interest bearing accounts which they offer, for example by:
 - i. Verbal and/or written notices e.g. letters and circulars
 - ii. Brochures/Leaflets at Head, Regional/Zonal, Area and Branch Offices
 - iii. Press advertisements
 - iv. Telephone/fax services; and
 - v. Internet, text and e-mail services and/or other acceptable means of effective communication.
- b) Inform customers about the interest rates applicable to/payable on their deposit, fixed, savings and other accounts, the basis on which the interest is calculated and when it will be credited to their accounts.

- c) Inform their customers of the basis on which they (banks) may vary the deposits/savings interest rates.
- d) Publicize changes in interest rates, “with immediate effect” by notices in their branches, or in the press, or on statements of account or letters addressed to their customers or other agreed means of communication or a combination of any or all of these methods.
- e) Notify their borrowing customers in writing about changes in interest rates and obtain acknowledgement.

3.6 Handling Customers’ Complaints

Banks shall:

- a) Treat customers/consumers fairly/and equitably.
- b) Each, have internal policies, structures, guidelines and procedures for handling customers’/consumers’ complaints expeditiously.
- c) Set up Complaint Desks in all their branches, other operational offices and Head Office and inform their customers that they have internal policies, structures, guidelines and procedures for handling complaints.
- d) Make available to their customers details on how complaints can be made and what further steps they can take if they believe that a complaint was not

handled satisfactorily either at the point of first report or at any other level within the bank (e.g. Area/Regional/Zonal and Head Offices).

- e) Ensure that all their employees who deal with customers understand their internal policies, structures, guidelines and procedures for handling complaints and are capable of assisting customers with adequate, correct and timely information.
- f) Have channels, in addition to placing framed messages, indicating customer care centres/customer service desk, complaint desks, postal addresses, dedicated Short Messaging Services (SMS) lines, telephone lines, e-mail addresses, and other means, for lodgment of complaints by customers/consumers, in their operational locations especially branches.
- g) Ensure that all customers' written complaints are acknowledged in writing or through emails within reasonable days of receipt.
- h) Ensure that all customers' complaints are resolved within reasonable time frame of receipt of a written complaint.

3.7 Confidentiality of Customers' Information

Banks shall:

- a) Observe strict duty of confidentiality about their customers' and former customers' affairs and shall not disclose details of customers' accounts/transactions or their names and addresses to any third party, including other companies in the same group, other than in the four exceptional cases as stated in section 1.2 above.
- b) Insist on Directors, Management and staff signing a "Declaration of Secrecy" to ensure the confidentiality of customers' information.

3.8 Status Enquiries (Bankers' References)

Banks shall, on request:

Provide Bankers' References or Bankers' Opinion in reply to Status Enquiries made on their customers in line with banking practice and regulation.

3.9 Marketing Services

Banks shall:

- a) Not pass customers' names and addresses to other companies in the same group for marketing purposes, except where a customer has given his express written

consent. For this purpose, written consent by a customer shall not be made a condition for provision of basic banking services by banks.

- b) Act responsibly, transparently and prudently in marketing and delivery of financial services.
- c) In particular, ensure that all advertisements and promotional literature are fair and professional, contain no misleading information and comply with all relevant legislations and regulations whether relating to their own bank or their competitor banks.

3.10 Foreign Exchange Services and Cross-Border Payment

Banks shall:

- a) Provide customers with details of the Exchange Rates and the charges which will apply to Foreign Exchange transactions.
- b) Provide customers wishing to effect Cross-Border Payments with details of the services they offer. In doing so, they shall provide, as a minimum:
 - i) Basic description of the services available and the manner in which they can be used.
 - ii) Information as to when money sent abroad, on customers' instructions, will usually reach its destination or, when an exact date cannot be

- given, the latest date by which the money might be expected to reach the destination; and
- iii) The details of any commission or charges payable by customers to their bank, including a warning where agents' charges may also be incurred.

3.11 Guarantees and Other Types of Third Party Securities

Banks shall:

- a) Inform their customers that;
 - i. By giving guarantee or third party security, the individual might become liable instead of, or as well as, that other person being guaranteed.
 - ii. That he or she should seek independent legal advice before entering into any guarantee or third party security.
- b) Ensure that Guarantees and other third party securities' documentations shall contain clear and prominent notice of the terms and conditions.

3.12 Inter-bank Transaction

Banks shall:

- a) At all times and as expeditiously as possible, seek through recognized channels adequate information

about the credit-worthiness of other banks before engaging in inter-bank transactions with them.

- b) Accord priority to inter-bank obligations.
- c) Collaborate with other operators, regulators and the Institute to sanitize the banking industry.

SECTION 4:
INFRINGEMENTS AND SANCTIONS

4.1 Infringements:

A member shall be deemed to have committed an infringement under this Code if, he:

- a) For the purpose of procuring membership registration of any name, qualification or other matters:
 - i) makes a statement which he knows, or is proved, to be false in a material particular; or
 - ii) without exercising reasonable caution, recklessly makes a statement which is false in a material particular.
- b) Is declared bankrupt.
- c) Is committed to imprisonment as a result of criminal offence.
- d) Is sanctioned by another recognized professional body for unethical and unprofessional conduct/activities.
- e) Asks for, consents or agrees to receive any gratification or bribe in money or in kind, personally or through his relations, associates or other third parties, from customers or prospective customers or

consultants or contractors of his employer and coworker:

- i) For procuring or attempting to procure an advance, loan or credit facility, or contract.
 - ii) For the purchase or discount of any draft, note, cheque, bill of exchange or other obligations by the employer.
 - iii) For granting loan, advance or credit facility to any person inconsistent with the policies, rules and guidelines of his employer and the subsisting laws and regulations in the industry.
- f) As a Director, Manager, Officer, Secretary, or a similar office holder of the body corporate purporting to act in any such capacity, connives, has knowledge of, or negligence is attributable on his part in a criminal offence.
- g) As an employee/member, he is alleged of any unethical and unprofessional conduct/practice and referred to the Disciplinary Mechanism of CIBN.
- h) Fails to circulate the names of employees/members involved in fraud and forgeries as required by Central Bank of Nigeria, Nigeria Deposit Insurance Corporation and the Institute.
- i) Hires a person that has been found guilty (dismissed or terminated) of fraud and/or other criminal,

unethical, and unprofessional activities in any bank or any other organization.

4.2 Enforcement of the Code of Conduct

It is the duty of all members to assist and co-operate with the Institute in the course of enforcing this Code.

4.3 Framework for Handling Reported Cases Involving Individual Members

4.3.1 Cases Involving Individuals

All cases relating to individual members brought before the Institute in connection with this Code shall be handled by The Chartered Institute of Bankers of Nigeria Investigating Panel and where necessary, The Chartered Institute of Bankers of Nigeria Disciplinary Tribunal.

4.3.2 Procedure for Handling Individual Member Cases

- i) All complaints/petitions involving members should be duly signed and addressed to the Registrar/Chief Executive of the Institute in triplicate copies.
- ii) The complaint/petition shall be acknowledged in writing within seven (7) days of receipt by the Institute.

- iii) The letter of acknowledgement of any case brought before the Institute shall include a clause prohibiting all parties, pending the determination of the case, from:
 - a. Commenting on the matter in the mass media, and;
 - b. Taking the case to the law court or any other dispute resolution organ
- iv) A copy of the complaint/petition shall be forwarded to the defendant and/or other parties mentioned in the case for his/their response(s) (in triplicate copies).
- v) The Institute shall collate the petition and submission(s) of the defendant/other parties and refer them to the CIBN Investigating Panel.
- vi) The CIBN Investigating Panel shall investigate the case and decide whether or not it should be referred to The CIBN Disciplinary Tribunal.

In carrying out its investigations, The Panel may:

- a. Seek the assistance of any person(s) including:
 - Banking Supervision Department and OFID of CBN;
 - Bank Examination Department and SIID of NDIC;

- Committee of Chief Inspectors of Banks in Nigeria;
 - Financial Market Dealers Association of Nigeria;
 - Nigerian Discounts Market Association;
 - National Association of Micro-Finance Banks of Nigeria;
 - Mortgage Banking Association of Nigeria;
 - Risk Managers Association of Nigeria;
 - Human Capital Managers of Banks Association;
 - Committee of Chief Security Officers of Banks;
 - Committee of Chief Compliance Officers of Banks in Nigeria (CCCOBIN);
 - Independent Consultants;
- b. Summon parties and witnesses.

The CIBN Investigating Panel shall:

- a) If the case has merit, refer it to the CIBN Disciplinary Tribunal through the Registrar/Chief Executive and serve as the Prosecutor.
- b) b. If the case has no merit, notify the Registrar/Chief Executive of its findings and decisions.

- c) The Registrar/Chief Executive shall inform the parties of the findings and decisions of the CIBN Investigating Panel.

The CIBN Disciplinary Tribunal shall:

- a) Consider and determine the case referred to it by The CIBN Investigating Panel.
- b) Report to the Governing Council its decisions for confirmation.
- c) Convey its direction to the person(s)/parties concerned.
- d) In the performance of its functions, The CIBN Disciplinary Tribunal may refer a case back to the CIBN Investigating Panel or summon the parties and witnesses.

Resolutions of cases either by the CIBN Investigating Panel or the CIBN Disciplinary Tribunal shall be deemed to be binding on all parties concerned.

At all stages – whether at the CIBN Investigating Panel or The CIBN Disciplinary Tribunal, parties may be allowed to appear with their Counsels. Counsels may however, not be allowed to represent a party without that party being present at the hearing.

4.4 FRAMEWORK FOR HANDLING REPORTED CASES INVOLVING CORPORATE MEMBERS

4.4.1 *Cases Involving Corporate Members*

All cases relating to Corporate Members in connection with this Code shall be handled by the Bankers' Committee Investigating Panel (BCIP) and Bankers' Committee Sub-Committee on Ethics and Professionalism (BCSEP).

4.4.2 *Procedure for Handling Cases Involving Corporate Members*

The BCSEP shall apply the following procedures for handling cases brought before it:

- a) All complaints/reports shall be submitted to the Secretariat of the Sub-Committee at CIBN.
- b) Such complaints are to be acknowledged in writing within seven (7) days of receipt. The letter of acknowledgement of any case brought before the Sub-committee shall include a clause prohibiting all parties, pending the determination of the case, from:
 - i) Commenting on the matter in the mass media, and

- ii) Taking the case to the law court or any other dispute resolution organ
- c) The Secretariat shall request for submission from the respondents or other parties mentioned in a petition before it.
- d) The Secretariat shall collate the submissions from the complainant and respondent.
- e) The Secretariat shall inform the Chairman of the Sub-Committee on receipt of such cases.
- f) All cases (with the responses and other documentations received) are to be referred to the BCIP.
- g) The BCIP is free to choose any or a combination of the following organs to assist in conducting investigations:
 - CIBN Investigating Panel;
 - Banking Supervision Department and Other Financial Institutions Department (OFID) of CBN;
 - Bank Examination Department, and Special Insured Institutions Department (SIID) of NDIC;
 - Committee of Chief Inspectors of Banks in Nigeria;

- Financial Market Dealers Association of Nigeria;
 - Nigerian Discounts Market Association;
 - National Association of Micro-Finance Banks of Nigeria;
 - Mortgage Banking Association of Nigeria;
 - Risk Managers Association of Nigeria;
 - Human Capital Managers of Banks Association;
 - Committee of Chief Security Officers of Banks;
 - Committee of Chief Compliance Officers of Banks in Nigeria (CCCOBIN);
 - The BCIP shall make its recommendations to BCSEP for consideration.
- h) The BCSEP shall report its decisions to the Bankers' Committee for confirmation.
- i) All cases referred to the BCSEP should be disposed off without delay but not later than six (6) months from date of receipt of the petition.
- j) In the event that any case may exceed six (6) months the parties should be informed accordingly.

4.4.3 Sanctions For Violating This Code By Individual Members.

- i) Where:-
- a) A person is adjudged by The CIBN Disciplinary Tribunal to be guilty of unprofessional conduct in any professional respect: or
- b) A person is convicted by any court or tribunal in Nigeria or elsewhere having power to award imprisonment for an offence (whether or not punishable with imprisonment) which in the opinion of The CIBN Disciplinary Tribunal is incompatible with the conduct required of a member of the banking profession; or,
- c) The CIBN Disciplinary Tribunal is satisfied that the name of any person has been fraudulently registered, The CIBN Disciplinary Tribunal shall, if it deems fit, convey a direction to the person concerned reprimanding that person or ordering the Registrar/Chief Executive to strike his name off the relevant part of the membership Register.
- d) A person who commits an offence and is found guilty by the decision of The CIBN Disciplinary Tribunal shall be liable to the maximum sanction of having his name struck out from the Register of members.

- ii) The CIBN Disciplinary Tribunal may, if it deems fit, defer or further defer its decision as to the giving of a direction until its subsequent meeting:
 - a) No decision shall be deferred for a period exceeding three (3) months from the conclusion of proceedings in the case; and
 - b) No person shall be a member of The CIBN Disciplinary Tribunal for the purposes of reaching a decision which has been deferred or further deferred, unless he was present as a member of The CIBN Disciplinary Tribunal when the decision was deferred. For this purpose, a person shall not be treated as guilty as therein mentioned unless the guilt stands at a time when no appeal or further appeal is pending or may (without extension of time) be brought in connection with the direction.

- iii) When The CIBN Disciplinary Tribunal gives a direction, it shall cause notice of the direction to be served on the person to whom it relates.

- iv) The person to whom a direction relates may, at any time within twenty-eight (28) days from the date of service on him of the notice of the direction, appeal

against the direction, to the Federal High Court and where necessary to the Court of Appeal and The CIBN Disciplinary Tribunal shall appear as respondent to the appeal and, for the purpose of enabling directions to be given as to the costs of the appeal and of proceedings before the Federal High Court or Court of Appeal, the Disciplinary Tribunal shall be deemed to be a party thereto, whether or not it appears at the hearing of the appeal.

- v) A direction of The CIBN Disciplinary Tribunal shall take effect if:
- a) No appeal is brought against the direction, within the time limit for such an appeal, or on the expiration of that time.
 - b) Such an appeal is brought and is not withdrawn or struck out for want of diligent prosecution, upon the withdrawal or striking out of the appeal.
 - c) Such an appeal is brought and is withdrawn or struck out as afore-said, if and when the appeal is dismissed, and shall not take effect except in accordance with the foregoing provisions of this Code.

- vi) A person whose name is struck off the register in pursuance of a direction of The CIBN Disciplinary Tribunal under this section shall not be entitled to be registered again, except, in pursuance of a direction in that behalf and a direction for the striking off of a person's name from the register prohibits him from making an application for membership or restoration of his membership until after the period specified by the direction that his name should remain struck off, and if he makes an application during the currency of the prohibition such application shall be invalid. However, where the case in question is on fraud and other criminal offences, the person's name shall not be restored at all except where such a person is discharged and acquitted from all charges of fraud and criminal offences by a court of competent jurisdiction.
- vii) Any member who institutes a legal action against another member on matter(s) relating to the Institute without the express permission in writing of the Governing Council shall be liable to the following penalties:

- a) Withdrawal of Membership;
- b) Reporting to the employer for bringing the name of the Institute into disrepute.

4.4.4 Sanctions for Violating This Code By Corporate

Members

In the application of sanctions on all cases involving corporate members under this Code, the fundamental principles of restoration, retribution, deterrent and equity shall be given priority.

In all cases of sanctions, specific time frame shall be stated for compliance.

Where a corporate member fails to comply within a stipulated time-frame with the decision of the BCSEP, the CBN shall be notified to enforce compliance.

- i) Where offences contradict existing statutory provisions and regulatory guidelines, the prescribed sanctions would apply.
- ii) For offences with no precedent, the BCSEP would use its best judgment based on the principles enunciated above. In such cases, the BCSEP will recommend specific sanctions to the Bankers' Committee.

4.4.5 Appeal by Corporate Members

A Corporate Member has the right of appeal.

Such an appeal shall be entertained only if the applicant had given notice and complied with the decision of BCSEP within one (1) month of the decision.

The appeal shall be heard by an Independent Appeal Committee (IPC) made up of four (4) former practitioners and three (3) permanent members of the BCSEP.

The IPC will be chaired by any of the following:

- i) Former Governor or Deputy Governor of CBN,
- ii) Former Managing Director or Executive Director of NDIC
- iii) Former Managing Director of a bank

SECTION 5:

ESTABLISHMENT OF THE CIBN INVESTIGATING PANEL AND DISCIPLINARY TRIBUNAL (EXTRACT FROM THE CIBN ACT)

There shall be a body to be known as The Chartered Institute of Bankers of Nigeria Investigating Panel (hereafter in this Act referred to as “The Investigating Panel”) which shall be charged with the duty of:

- a) Conducting a preliminary investigation into any case where it is alleged that a member has violated the provisions of the Institute’s Code of Conduct or shall for any other reason be the subject of proceedings before The CIBN Disciplinary Tribunal; and
- b) Deciding whether or not the case should be referred to the CIBN Disciplinary Tribunal.

5.1 Appointment of the Investigating Panel

The CIBN Investigating Panel shall be appointed by the Governing Council and shall:

Consist of five (5) members of the Institute, two of which shall be members of the Governing Council with one as the Chairman of the Panel and three other members who are not members of the Governing Council.

- 5.1.1 The tenure of any member of The CIBN Investigating Panel shall be two years renewable for a further period of two years.
- 5.1.2 The CIBN Investigating Panel shall act independently in the receiving and investigation of allegations under paragraph (a) of Sub-section 1 of this section and shall have power to receive complaints directly from any individual or organization.

5.2 Establishment of the CIBN Disciplinary Tribunal

- i) There shall be a Tribunal to be known as The Chartered Institute of Bankers of Nigeria, CIBN, Disciplinary Tribunal (hereafter in this Act referred to as “The CIBN Disciplinary Tribunal”) which shall be charged with the duty of considering and determining any case referred to it by The CIBN Investigating Panel and any other case of which The CIBN Disciplinary Tribunal has cognizance of.
- ii) The CIBN Disciplinary Tribunal shall be appointed by the Governing Council and shall consist of the 2nd Vice President of the Institute as the Chairman, three other members of the Governing Council, and three members of the Institute who are not members of the Governing Council.

- iii) The tenure of any member of The CIBN Disciplinary Tribunal shall be two years renewable for a further period of two years.

5.3 Composition of Bankers’ Committee Investigating Panel (BCIP)

The BCIP shall comprise the following:

- Permanent members – CBN, NDIC, CIBN,
- Rotational Members – seven (7) representatives of Banks who are members of the BCSEP.

5.4 Composition of Bankers’ Committee Sub-Committee on Ethics & Professionalism (BCSEP)

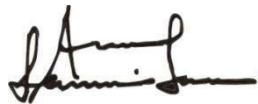
The BCSEP shall comprise the following:

- Permanent Members - CBN, NDIC, CIBN,
- Rotational Members – seven (7) Managing Directors of Banks.

Signed: 9th Day of April 2013



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**President/Chairman of
Council, CIBN**



.....
**Governor, CBN/Chairman,
Bankers’ Committee**