



**CODE OF ETHICS AND CONDUCT  
IN  
Ahli United Bank K.S.C (AUB, Kuwait)**



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## A- Introduction

This Code of Conduct is designed to guide Employees & Board Members at Ahli United Bank K.S.C through ethical and professional conduct required in a reputable financial institution.

All Directors, officers and employees of the Bank (together referred to as "Personnel") are expected to become familiar with the Code and to adhere to those principles and procedures set forth in the Code.

The purpose of the Code is to provide the basic principles to guide Personnel in day-to-day activities. The Code does not cover every legal or ethical issue that may be confronted at the Bank. Indeed, no Code can attempt to anticipate every issue that may arise.

However, by following the Code, by adhering to the letter and spirit of applicable laws, regulations, policies and procedures, and above all by applying sound judgment to all activities, Personnel can demonstrate commitment to the Bank's values, mission and objectives.

The guidelines and principles which make up the Code are based on accepted standards of business and personal conduct. Importantly, the Code is aligned with the Group's Mission Statement and linked to AUB group Objectives as given in Section 1 of the Group HR policy.

This Code outlines the minimum standards of behavior expected from all Personnel. Those who violate the standards in this Code will be subject to counseling and depending on the nature of the violation, possible disciplinary action up to and including termination of employment or service.

It is important to read the Code of Conduct, and to review it from time to time to ensure that we are in compliance. The Code is posted on AUB K.S.C's Z drive where it will be updated when required. We are all required to affirm in writing that we have read and understood the Code and that we will comply with it, including amendments thereto.

For employees, if you have any questions or concerns after reading this Code, or if at any time you feel uncertain about a course of action, you are encouraged to raise the matter with your manager who, if necessary, can seek the advice of your Human Resources or Compliance department. If you are not comfortable in speaking with your manager about this matter, or if your manager is not fully responsive to your concern, communicate directly with the Head of Human Resources or the Head of Compliance.

### 1. Compliance with Laws, Rules and Regulations

We are all required to comply with the law and regulations. Cognizant of that responsibility, you can fulfill it by complying with AUB K.S.C policies, procedures and guidelines; they are designed to reflect applicable laws and regulations as well as industry.

It is the responsibility of managers to be aware of the relevant legal requirements pertinent to the activities of their business or functional units, as well as industry standards, to ascertain that they are properly reflected in AUB K.S.C policies and procedures (and recommend amendments where required), and to ensure that their staff comply and follow them.

This of course includes, without limitation, the requirements under banking and securities laws and regulations, accounting standards, disclosure standards and requirements, employment legislation, and of critical importance:

- Regulations on combating money laundering and the financing of terrorism (which includes compliance with all required Know Your Customer and Customer Due Diligence measures); and
- Regulations on inside information and the misuse of that information, insider trading and market abuse.

It is Staff responsibility to comply with all these legal and regulatory requirements applicable to your role within AUB K.S.C, and to familiarize yourself and to comply with the bank policies and procedures, whether or not mentioned here, on these and other topics.

### 2. Act Responsibly, Honestly, Fairly & Ethically

In all circumstances, staff must act with integrity, the hallmark on which AUB K.S.C has built its reputation. Ethical behavior, honesty, fairness and sense of responsibility must be evident at all times in all dealings and communications (including e-mails and correspondence) whether with customers, regulators, colleagues or other stakeholders.



### ***Fair & Equitable Treatment***

Employee must treat all colleagues fairly and equitably. AUB K.S.C is committed to maintain a work environment that supports the productivity, personal goals, dignity and self-respect of all employees, free of offensive behavior, intimidation and harassment. The same principles of fairness apply to all your dealings with customers, suppliers and other stakeholders; It is our policy not to take unfair advantage of others through manipulation, concealment or abuse of privileged information, misrepresentation of material facts, or any other unfair business practice

### **3. Avoid Conflicts Of Interest**

**All business decisions must be made, and all business activities conducted, in the best interests of the Bank. Directors, officers, employees and all other parties conducting business on behalf of the Bank, must avoid any action which may involve, or may appear to involve, a conflict with the interests of the Bank.**

#### **Example of when does the Conflict of Interest Exist?**

A "conflict of interest" exists when a person's private interest interferes in any way - or even appears to interfere. A conflict situation can arise when an employee or officer or director takes actions or has interests that may make it difficult to perform his or her Bank work objectively and effectively. Conflicts of interest may also arise when an employee or officer or Director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Bank. Loans to, or guarantees or obligations of, employees, officers, Directors and their family members by the Bank will create conflicts of interest.

It is a conflict of interest for an officer and director to work for a competitor, customer or supplier. The employee, officers and Directors should avoid any direct or indirect business connection with the customers, suppliers or competitors, except as required on behalf of the Bank.

To clarify it more a perception of conflict of interest exists whenever you are in a situation where:

- A. Your personal interests could conflict with your obligations to AUB K.S.C (remember that your primary business loyalty is to AUB K.S.C),
- B. Your personal interests could conflict with your obligations to a customer, or
- C. AUB K.S.C's interests could conflict with its obligations to a customer, or its obligations to one customer could conflict with its obligations to another customer.

Conflicts of interest are prohibited as a matter of Bank policy, except as approved by the Board of Directors. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with your supervisor or follow the procedures set out in item 18 of this Code. Officers and employees must disclose all actual and potential conflicts of interest between them and the Bank to Human Resources. Directors should immediately disclose all actual and potential conflicts of interest to the Bank's Audit Committee.

#### ***Employees Must Declare Outside Employment & Certain Other Activities***

AUB K.S.C employees cannot obtain or maintain any outside employment, part-time work, consultancy arrangement, freelance activities, directorship or managerial position (paid or otherwise, including with not-for-profit organizations), political appointment or any other similar activity, without written disclosure to the Head of Human Resources. The same rule applies for any other activity or interests that could create a conflict of interest for the employee.

Without the CEO permission, Personnel should not be employed by others, nor should they otherwise engage in any other business nor assume a position to generate a business profit. It is acceptable however for Personnel to hold honorary positions in clubs, charitable organizations or other similar associations providing the performance of their Bank duties is not adversely affected in any way and providing also that there is no conflict created with the Bank's interests with prior approval of Human Resources.

#### ***Members of the Management Committee & Directors Must Declare Outside Interests***

Members of the AUB K.S.C Management as well as members of the Board of Directors must declare in writing to the Board, through the Audit Committee, all of their interests and activities in other enterprises (whether as a shareholder of above 5% of the voting capital, as manager, as director, or through any other form of significant participation).

#### 4. Insider Trading

All non-public information about the Bank should be considered confidential information. Employees, officers and Directors who have access to confidential information about the Bank or any other entity are not permitted to use or share that information for trading purposes in Bank or the other entity's securities or for any other purpose except the conduct of the Bank's business. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal.

#### 5. Related Parties Transactions

Related Party Transactions are governed by the Bank's Related Party Transaction Policy which states the rules and procedures that govern such transactions. Any credit extension to the Bank's related parties, including Board members, are made in accordance with the same terms and conditions as applied to other customers without any preferential terms and in conformity with the instructions issued by the Central Bank of Kuwait. Related Party Transactions must be disclosed in line with the requirements of the Central Bank and other regulatory authorities.

#### 6. Competition, Fair Dealing and Avoiding Compromising Gifts, Entertainment & Hospitality

The Bank seeks to outperform competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees or any other person of other companies is prohibited. The staff should endeavour to respect the rights of and deal fairly with the Bank's customers, suppliers, competitors and employees. No employee or officer or Director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other illegal trade practice.

No employee or officer or Director is permitted to engage in price fixing, bid rigging, allocation of markets or customers, or similar illegal anti-competitive activities.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Bank employee or officer or director, family member of an employee or officer or director unless it's as per the following rules of Accepting gifts:

##### ***Accepting Gifts***

As a general rule, gifts should not be accepted from suppliers or from customers. However, it is recognized that the giving and receiving of small gifts is a common business practice which can be properly managed, provided that employees observe the highest standards of integrity and honesty and avoid situations which could adversely affect their decisions or actions.

Personal judgment must always play a part in distinguishing between what is an acceptable gift and what is not. Examples of inappropriate gifts and entertainment include the following:

- Any gift of money;
- Any gift or offer of hospitality or entertainment of significant value. As a guide, this would be gifts or entertainment in excess of US Dollar 125 or its equivalent in the local currency;
- Any offer of a gift or entertainment where the acceptance of such could raise concerns regarding a conflict of interest or impropriety;
- The purchase of goods or services from a Bank supplier at a price lower than that available to the general public (other than where a Bank-wide discount scheme is in existence).

Similarly, gifts or entertainment should not be offered to business contacts if the action could be alleged to have an ulterior motive or if the action could cause embarrassment to the Bank or to its employees or clients.

To maintain business integrity, all employees should notify Human Resources whenever gifts or entertainment are offered on a scale to be considered unreasonable, or if any one individual or organization makes regular or repeated offers.

In cases where gifts or entertainment exceed the prescribed limit above, the cases are to be reported to Human Resources. (Please refer to **Appendix 2**)

## 7. Reject Bribery, Kickback & Corruption

AUB K.S.C strictly prohibits any form of bribery, kickback, payoff and any other improper payment, gift, contribution, benefit, or any other inducement having a similar corruptive effect, whether in cash (including cash equivalent, cashable items or financial instruments of any kind) or not.

Consequently:

a) It is prohibited to offer or give, directly or indirectly, any bribe, kickback, payoff or any other improper payment, gift, contribution, benefit or inducement in trying to obtain or retain business or secure services for AUB K.S.C, or to illegally influence any governmental decision or action.

b) Similarly, it is prohibited to solicit or receive, directly or indirectly, any payment, loan, extension of credit, guarantee, gift, object of any value or any kind of preferential treatment from a third party in exchange for favorable treatment or consideration with regards to a transaction or dealing or engagement (including the procurement of goods or services) of any kind with AUB K.S.C. This prohibition extends to all members of employee's family as well as dependants, and to any third party who may benefit at employee's direction.

Should you become aware of any such situations, or if you suspect that an attempt at bribery, kickback or corruption is being made, you must report it immediately to your manager and to your Compliance officer.

## 8. Discrimination and Harassment

The diversity of the Bank's employees is a tremendous asset. The Bank is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment based on race, colour, religion, gender, national origin or any other protected class.

## 9. Working Environment

The Bank strives to provide each employee, officer, director and visitors with a healthy, safe and secure environment that reflects the corporate visibility of the Bank as a modern and professional institution

. It is a collective and individual responsibility for each Manager, officer and employee for maintaining a safe and healthy workplace for all employees. Managers are responsible for ensuring that staff are aware of any potential work hazards and are trained in safe work practice and for each staff is responsible for taking all reasonable and necessary precautions to ensure his own safety as well as that of his colleagues, and for familiarizing himself with health and safety guidelines in the workplace by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behaviour are not permitted.

Employees, officers and Directors are expected to perform their Bank related work in a safe manner, free of the influences of alcohol, illegal drugs or controlled substances, Possession, use, or being under the influence of the above on AUB K.S.C premises is strictly prohibited.

## 10. Record-Keeping, Financial Controls and Disclosures

The Bank requires honest, accurate and timely recording and reporting of information in order to make responsible business decisions. The regulatory authorities require certain records of banking and financial institutions to be retained for a number of years for reference purposes. For example, Customer identification records are to be maintained permanently and Transaction records must be retained as per Anti-Money Laundering (AML) requirements for five years from the date of transactions. For closed accounts, identification documents to be maintained until 5 years after the date of closure of the account.

All business expense accounts must be documented and recorded accurately in a timely manner. If employee, officer and director are not sure whether a certain expense is legitimate, ask your supervisor or manager.

All of the Bank's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Bank's transactions, must be promptly disclosed in accordance with the applicable laws and regulations and must conform both to applicable legal requirements and to the Bank's system of internal controls.

Business records and communications often become public, and avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that may be misunderstood. This applies equally to e-mail, internal memos, and formal and informal reports. Records should always be retained or destroyed according to the Bank's record retention policies.



## 11. Confidential and Proprietary Information

Personnel are all responsible for the safeguarding of confidential and proprietary information, whether it is information disclosed to us by our customers, information regarding the Bank's businesses and activities, or information about Personnel themselves.

### Information about the Bank, its customers, its employees, and others

Personnel should maintain all confidential and proprietary information in strict confidence, except when disclosure is authorized by the Bank or required by law.

"Confidential information" is information that is not generally known to the public about the Bank, its customers, or other parties with whom the Bank has a relationship and who have an expectation of confidentiality.

"Proprietary information" includes all non-public information that might be useful or of commercial value to competitors or that could be harmful to the Bank or its customers if disclosed.

### Do Not participate in Unauthorized Public Statements

Employee must not participate, directly or indirectly, in any public statement (whether through the press, radio, internet, television, publications, interviews, presentations or otherwise) that make reference to AUB K.S.C, without the prior permission of the chief Executive Officer on his delegate, or of the Chairman (in case of a Director). Your duty of discretion continues after you are no longer associated with AUB K.S.C

### Special rules regarding customer information

All Personnel have a special responsibility to protect the confidentiality of information related to our customers. This responsibility is imposed by law, and may also arise out of agreements with our customers, or be based on internal rules adopted by the Bank.

Unless a customer has consented in writing to the release of their information for a specific purpose, it should never be disclosed to anyone outside the Bank except as permitted by law and for legitimate business purposes. Even within the Bank, customer information should always be treated in accordance with the above principles.

**Example of Confidential information** is any information that is not readily available to the public.

It includes, without limitation, non-public:

- Information received from a customer.
- Sensitive personal information received from or about a director, an employee, a consultant or other business partner of AUB K.S.C.
- Information about any customer's transaction, account or other activities at AUB K.S.C as well as AUB K.S.C's internal assessment of the customer's creditworthiness.
- Proprietary information about AUB K.S.C's own business or financial condition, including information posted on AUB K.S.C internal intranet websites, and not publicly disclosed.
- Customer lists and customer contact information.
- Data and knowledge that has been created or developed by AUB K.S.C or by any of its employees, representatives, directors or agents (including you) or that has otherwise become the property of AUB K.S.C.

## 12. Protection and Proper Use of Bank Assets

All employees, officers and Directors should protect the Bank's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Bank's profitability. All Bank assets are to be used for legitimate, efficient and proper use for Bank purposes. In order to manage costs, protect its assets and maximize shareholder value, . Any suspected incident of fraud or theft should be immediately reported for investigation. Bank assets should not be used for non-Bank business.

The obligation of employees, officers and Directors to protect the Bank's assets these include not only physical property, but also other tangible assets such as the Bank's proprietary information. Proprietary information includes intellectual intangible property such as trade secrets, patents, trademarks, and copyrights, other proprietary information and know-how as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of Bank policy. It could also be illegal and result in civil or criminal penalties.

### Example of staff processes to protect bank assets

All Staff within AUB K.S.C should ensure to process the followings to protect the bank assets:

- Use their best efforts to safeguard assets and use these assets in accordance with policies and procedures, comply with security programs that help prevent their theft or unauthorized use, and abide by all regulations or contractual agreements governing their use.
- Take all necessary actions and precautions to safeguard all passwords and identification codes and prevent unauthorized access to information systems resources.
- Protect from misuse or disclosure all non-public information such as business strategies, financial results, pending transactions or contracts, new products, and research results.
- Will not use, share or disclose non-public information gained in the course of your employment or other relationship, whether for your own personal benefit or gain, or for any other reason, except in the legitimate course of doing business.
- When performing work on behalf the bank, they are not entitled to an expectation of privacy with respect to information technology resources, except where provided by local law.
- All computer data created, received, or transmitted using AUB K.S.C's information technology resources is the property of AUB K.S.C and is not to be considered the private information of the user.
- Are required to be familiarized with the AUB K.S.C policy on information security.

### 13. Reporting any Illegal or Unethical Behaviour

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed behaviour, which they believe may be illegal or may imply a violation of this Code of Conduct or Bank policy or when in doubt about the best course of action in a particular situation. It is the policy of the Bank not to allow retaliation for reports made in good faith by employees of misconduct by others. Employees are expected to cooperate in internal investigations of misconduct.

### 14. Improper Influence on Conduct of Auditors

You are prohibited from directly or indirectly taking any action to coerce, manipulate, mislead or fraudulently influence the Bank's independent auditors for the purpose of rendering the financial statements of the Bank materially misleading.

Prohibited actions include but are not limited to those actions taken to coerce, manipulate, mislead or fraudulently influence an auditor:

1. To issue or reissue a report on the Bank's financial statements that is not warranted in the circumstances (due to material violations of generally accepted accounting principles, generally accepted auditing standards or other professional or regulatory standards);
2. Not to perform audit, review or other procedures required by generally accepted auditing standards or other professional standards;
3. Not to withdraw an issued report; or
4. Not to communicate matters to the Bank's Audit Committee.

### 15. Financial Reporting

The Bank expects employees and officers to take this responsibility very seriously and provide prompt and accurate answers to inquiries related to the Bank's public disclosure requirements.

The Bank's policy is to comply with all financial reporting and accounting regulations applicable to the Bank. If any employee or officer has concerns or complaints regarding accounting or auditing matters of the Bank, then he or she is encouraged to submit those concerns by one of the methods described in item 18 of this Code.

### 16. Prevent Money Laundering & Terrorism Financing

The Bank has established Anti-Money Laundering Policy and procedures designed to ensure compliance with applicable laws and regulations regarding money laundering. Personnel should become familiar and ensure their compliance with this procedure, which is available in the Bank's Intranet.

Personnel should also understand their obligations to be alert to and report unusual or suspicious activity to the Money Laundering Reporting Officer (located within the Compliance Department).

*Your duty is to comply with these requirements as applicable to you and, in particular, to ensure that you participate in all required training on this subject, to verify the identity of customers and persons connected to accounts and source of funds (if it is your role to do so), and to report all knowledge or suspicions of money laundering or terrorism financing immediately*

## 17. Speak Up // Whistle blowing

AUB K.S.C aims to encourage a culture of openness and accountability and It is the duty of all AUB K.S.C staff to report if they think that you or anyone else at AUB K.S.C may have violated any applicable law, regulation or the Code of Conduct, or if you are aware of any frauds (either attempted or realized), or if you have any well-founded concerns about the integrity of individual colleagues, or if you detect a deficiency in AUB K.S.C's processes or controls that would allow misconduct to happen or to go undetected, Such misconduct may relate to financial malpractice, failure to comply with a legal obligation, a criminal offence, behavior detrimental to the image or reputation of the Bank, the endangering of health and safety or the environment, or the deliberate concealment of any such matters ("misconduct").

You have a duty to AUB K.S.C and to your other colleagues to speak up, and to report that situation immediately so that the matter be investigated promptly and as fully as possible. You are encouraged to do so even when it is just a concern, rather than wait for proof or investigate the matter yourself.

Your manager must then report this notification to the Chief Auditor as soon as reasonably practicable but no later than the close of business the day after the notification. If you are uncomfortable in discussing the issue with your manager, or if the issue relates to the manager, you should contact the Chief Auditor directly. If the situation relates to the Chief Auditor, All such communications shall be treated confidentially to the extent possible and in keeping with AUB K.S.C's responsibility to address the issue raised.

AUB K.S.C will ensure that you will not suffer any discrimination or victimization, and that you will be protected from retaliation.

## 18. Compliance Procedures

Employees must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important to have a way to approach a new question or problem. These are the steps to keep in mind:

*(a) Make sure to have all the facts. In order to reach the right solutions, we must be as fully informed as possible.*

*(b) Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.*

*(c) Discuss the problem with your supervisor. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems. If you are uncomfortable discussing the problem with your human resources/Compliance, as appropriate.*

*(d) You may report violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. The Bank does not permit retaliation of any kind against employees or officers for good faith reports of suspected violations.*

*(e) Always ask first, act later: If you are unsure of what to do in any situation, seek guidance before you act.*

*(f) All employees, officers and Directors are subject to the Bank's Code, which describes procedures for the internal reporting of violations of the Code. All employees, officers and Directors must comply with those reporting requirements. Failure to adhere to this Code by any employee or officer or director will result in disciplinary action, up to and including termination.*

## 19. Staff Authority

Personnel should exercise the authority empowered for their respective positions appropriately and proactively, and assume the responsibility for the results of exercising, or failing to exercise, their authority.

Personnel may not sign any documents, or otherwise represent or exercise authority on behalf of the Bank, unless they are specifically authorized to do so. Personnel should clearly understand the limits of their respective authority and due care should be taken not to take any action that exceeds those limits. If there are doubts to the extent of authority, clarity should be sought with the respective Department Head.

Personnel should not accept any power of authority to transact on behalf of clients unless disclosed and approved by their respective Department Head and the Group Head of Compliance.

Personnel should not utilize their personal salary accounts for or on behalf of any customer / client related transactions; the personal accounts are only for salary related transactions and for their personal financial transactions. Any Bank authorized transaction or transaction carried out for or on behalf of clients/ customers shall be necessarily carried out in the designated customer and Bank accounts only. All personnel should understand their obligations and ensure their compliance with this procedure and report any violation to the Human Resource Department.



## 20. Complaints and Breaches

Every complaint received by the Bank should be viewed as an opportunity for improvement. For this reason, and to ensure we identify possible breaches of regulation, it is very important that Personnel report all complaints in an accurate and timely manner and that the complaints are resolved as quickly as possible.

The Complaints Procedure Manual on the Bank's intranet provides guidance as to the action required to be taken when a complaint is received. This guidance should be adhered to by every member of our staff who receives a complaint, whether by telephone, in writing or by other means.

Personnel should not attempt to connive by failing to report or act upon complaints received. Such action will result in serious disciplinary action.

Breaches of regulatory requirements are a serious matter and must be managed appropriately with the regulatory authorities.





**Article (3)**

The banking profession is built on the special tradition and behavior which constitute an Integral part of the nation's general traditions and behavior. The banker, as a member of society, is therefore-required to be a model of integrity and trustworthiness. In both his public and private relations, he should affirm these qualities, and keep himself abreast from suspicious circumstances, financial disorders and job exploitation.

**Article (4)**

Honourable competition and constructive cooperation between banks is considered conducive to achieving a healthy banking environment. Bankers should therefore put in practice the above honourably. At the same time the banker should differentiate between constructive cooperation and honourable competition to achieve high level of banking service and illegal competition that will harm the interests of banking sector. In all cases, banks should not rush into competition without regard to security or by violating their commitments to other banks, or by intentionally assisting clients to violate their commitments

**Article (5)**

Banks must cooperate with each other to combat money laundering operations & financing terrorist acts and crimes committed against banks and coordinate together to take out insurance against risks in the banking business.

**Article (6)**

A banker deals with very sensitive and essential commodity, namely money. This commodity, with all its features & temptations, requires a maximum degree of trust and integrity. Hence, a banker should not exploit his job of position for his personal interests, and he should not receive any compensation from clients for any work performed within the scope of his job at the bank where he is employed.

**Article (7)**

Since decisions in banking and its activities cannot be delayed, and in addition require accuracy and decisiveness, bankers must therefore be flexible in order to perform banking activities without abandoning the respect of laws and norms organizing the banking business and the doctrines of this Charter.

**Article (8)**

The greater the authority the banker is endowed with in making decisions, the greater is his responsibility, the banker should use his discretionary authority, in addition to knowledge and expertise when reaching a decision. Consequently, in assessing a bank's decision, consideration must be given to the available information, the nature and circumstances at the time the decision was taken

### **Chapter three Employees in Banking profession**

**Article (9)**

Skilled and trained manpower is paramount in the success of the bank. Great emphasis is therefore placed on the importance of training new staff and the transfer of experience which is a vital role played by current generations of employees towards upcoming new employees of banks.

**Article (10)**

Since the nature of banking activities and the accuracy and attention that it requires from its employees and the responsibilities placed upon them renders them liable to career risks, banks should provide their employees with an appropriate level of salaries and benefits

**Article (11)**

The cooperation of banks with CBK in making the Institute of Banking Studies successful is essential and important in advancing the science of banking and the development of able generations to lead the banking industry In the future. Banks should cooperate with the institute by sending trainees and providing the Institute with trained experts in all fields of specialization.

**Article (12)**

Due to the burden and responsibilities carried out by the employees in the banking In the course of their employment, and in view of the risks they face when using their discretion in taking decisions as well as other sensitive tasks by their profession, and in order to protect them with a set of guarantees to enable them to make decisions without hesitation or refraining from taking decisions, and to allow them at the same time to take constructive initiatives, the proper approach to employees errors and omission shall be made through the banking system initially. Evidence of criminal activity should be determined through investigation by the Bank with clear basis of questioning and be clearly available prior to reverting to supervisory or judicial authorities.

Should an employee request the assistance of technical experts for guidance and advice from the concerned authorities in the country or other local or foreign organizations, the Kuwait Banks Union may appoint the required experts to provide the technical banking advice necessary to serve the public interest.

#### Chapter Four Banking Services & Operations and Their Marketing

**Article (13)**

It is vital that banks should pay special interest to establish and develop new banking services to keep pace with the latest developments in the banking field and to fulfil the clients needs and demands, This requires the combined efforts of banks in order to achieve the above stated goal

**Article (14)**

Since cooperation between banks in developing banking services is considered essential. Competition should therefore be considered desirable within an acceptable framework, such that the competition will be conducive to the development of greater variety of services.

**Article (15)**

Expansion in banking services and spreading banking awareness in all sectors of society is essential to build trust, and to establish a system of saving which will mobilize the reserves and savings of the nation and allow it to be utilized in the various financial and Investment projects that will serve to promote economic growth of the nation.

**Article (16)**

Adherence to monetary, credit and banking policies and the organizing degrees are considered as a pioneering duty so that the desired objectives are realized for the benefit of the national economy.

Moreover adherence to Kuwait Banks Union directives and recommendation in the various aspects of banking activities is vital in maintaining good relation between banks and in ensuring uniformity in banking transactions.

The exchange of correct information between banking units with respect to the credit worthiness of clients is considered vital for the banks and the national economy as well so as to ensure that credit decision is based on reliable information in order to minimize risk.

To facilitate the flow of information for those wishing to acquire credit from fellow banks, two major rules must be adhered to by the Banks, namely confidentiality and accuracy. Banks should not disclose the identity of the inquirer nor the source of information without explicit approval. Moreover, using the information acquired from a fellow bank must not violate the honorable competition between banks.

**Article (17)**

Bank employees must show care and transparency when offering or explaining services to clients, and should avoid exaggerations in answering queries and providing explanations.

Advertisements-whether verbally, in writing or through other media outlets of banking services must reflect the truth of each service, its benefits and liabilities. It is necessary that banks provide competent and qualified employees and skilled and trained manpower to represent their various services to clients.

**Article (18)**

Banks should give due attention to complaints raised by clients, and should look into the matter accurately and professionally and provide their response at the earliest.

### **Chapter Five Settlement of Disputes**

**Article (19)**

Adherence to banking industry traditions requires the resolution of disputes between banks in a friendly, fair and quick manner. Banks should seek to settle disputes first through friendly communications and negotiations and then through arbitration or the court process.

**Article (20)**

The Board of Directions of the Union of Kuwaiti Banks is authorized, once a bank presents a complaint against another bank regarding a violation of the Articles of this charter, to order the creation of committee to look into the complaint and investigate it and provide the Board of Direction with a report clarifying the validity of the complaint.

If the violation is proven against the bank, the Board of Directors shall address the concerned bank through a confidential letter, requiring it to correct its mistake and from repeating the error.

In the event the concerned complained-against-bank does not respond positively, the complaining bank shall have the right to take any action it deems fit under the Articles of this charter and the law.



**Appendix 2**

**GIFTS / ENTERTAINMENT FORM**

Date: \_\_\_\_\_

Employee Name: \_\_\_\_\_ Staff Id No: \_\_\_\_\_

Department: _____ Date received or Given	Name of Provider	Brief Description of Gift or Entertainment	Estimated Value (US\$ or local currency )

I, \_\_\_\_\_, have been offered the above gift by \_\_\_\_\_  
and wish to accept / reject the same.

I wish to confirm that by virtue of me accepting the above gift, the same shall not influence / induce in discharging my official duties or generate favorable future treatment to the provider of the gift or benefit.

Employee Signature: Date: \_\_\_\_\_

Approvals: Head of Department / Group Head	Human Resources Department (For Items more than US\$125/- or equivalent)
<input type="checkbox"/> Approved <input type="checkbox"/> Decline	<input type="checkbox"/> Approved <input type="checkbox"/> Decline
Name: _____	Name: _____
Signature: _____	Signature: _____