



# TANZANIA BANKERS ASSOCIATION

*CODE OF CONDUCT*



**2019**



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# 1. PREAMBLE

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The Tanzania Bankers Association (TBA) was first formed in 1995, as an association of banks and financial institutions in Tanzania; in 2012 it changed its legal form and status from being an association to a company limited by guarantee with its Memorandum and Articles of Association (MEMARTS) incorporated as such under the laws of Tanzania.

TBA embraces and endeavours to achieve the following strategic objectives:

- (a) *bringing together members in order to foster continued collaboration and cooperation in handling of matters of common interest,*
- (b) *developing, maintaining and elevating professional standards for the industry and standards of provision of services, while allowing fair competition and putting customers at the centre of banking services and products,*
- (c) *promoting growth of the sector/industry and entire economy, thus positioning TBA and its members as main/major contributor and facilitator of economic growth in the country, and*
- (d) *ensuring sustainability of the banking sector and TBA, as an institution.*

Therefore, TBA is committed to operate and carry on its daily activities in concert with its Members and close cooperation with all its stakeholders, including the Government and regulatory agencies, the media, and the general public.

TBA and its Members also recognise that banking institutions are trustees and custodians of public money and in order to fulfil their fiduciary role as well as other obligations and responsibilities, they have to win the trust and confidence of the general public.

TBA and its Members are aware that in order to realize the general objectives of an ever-growing and stable banking sector, it is imperative to raise and maintain the level of quality of banking products and services; use available resources appropriately, preventing unfair competition; thus, formulate and regulate relations of banking institutions with each other as well as their relations with their customers, shareholders and employees in line with ethical principles.

Therefore, TBA and its Members acknowledge the need to uphold and maintain at all times the highest level of professionalism, honesty, integrity, impartiality and diligence by all its members and their employees. As a fraternity, it is also conscious of the reputation it carries

amongst the body of its customers generally and individually and the public at large; and thus endeavours to do all it can to set the level of standards of conduct, improve and maintain the same in its discharge of obligations in the economy.

TBA and its Members desire to formulate, adopt and implement an effective Code of Conduct, which shall among other things prescribe standards and levels of expected and desired conduct of Members and their employees, in terms of principles, obligations and manners of enforcing the same.

Therefore, this Code of Conduct is adopted and implemented with the overall objective of ensuring strict adherence to best banking practices and strong commitment to adherence to highest ethical and professional standards in the banking industry in Tanzania. It shall thus extend and be applicable to all Members, as institutions, their directors (both non-executive and executive), managers at all levels and howsoever designated, employees including permanent, temporary, part-time, casual and in-sourced personnel of independent contractors. And, appropriately and as the context requires, the terms of this Code of Conduct shall equally apply to all TBA stakeholders, either directly or indirectly relating to a Member.

## **2. DEFINITION AND INTERPRETATION**

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In this Code of Conduct the following words or expressions are given the meaning provided here below, unless a particular context so requires:

**“Conduct”** means the manner in which a person behaves or activity is managed or directed.

**“Employee”** means an individual employed/ appointed/ engaged/ recruited by a member of the TBA including non-executive directors.

**“Employer”** means a corporate entity which is a member of TBA.

**“Member”** means member of the TBA.

**“Person”** means legal and/or natural person.

## **3. SCOPE AND COVERAGE**

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This Code of Conduct shall be applicable to all Members of the TBA and, as the context dictates, to all their non-executive directors, executive directors, managers, officers and employees including full-time, part-time, temporary, casual employees and out-sourced service providers.

#### 4. OBJECTIVES

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TBA acknowledges the need to uphold the highest level of professionalism, integrity, honesty and fairness amongst all its Members and their employees. Thus, it endeavours to do all it can to improve and maintain this course.

Accordingly, the Objectives of this Code of Conduct are to ensure strict adherence to best banking practices and continued commitment to ethical conduct and professional standards by all its Members and their employees in order to foster TBA's Core Values, namely *Integrity, Professionalism, Customer-centricity, Unity and Teamwork*.

Therefore, the specific objectives of this Code of Conduct shall be to:

- (a) Guide every Member and its employees to meet their professional obligations to customers and other stakeholders by maintaining and enforcing highest level of professionalism, integrity and ethical conduct.
- (b) Ensure that at all times a Member and its employees conduct themselves in the manners that befit the good name and image of a banker and the banking industry.
- (c) Ensure that by upholding and adhering to the spirit and principles provided for in this Code of Conduct, every Member and its employees comply with applicable laws and regulations guiding the banking industry.
- (d) Ensure that all Members accept and work together in these regards in the spirit and main purpose of the establishment of TBA, that is, *bringing together members in order to foster continued collaboration and cooperation in handling matters of common interest*.
- (e) Reaffirm and restate the commitment of TBA, its Members and their employees in adhering to specific obligations provided in this Code of Conduct.
- (f) Promote collective and individual efficiency of the banking industry as a means of fostering sustainable economic growth.
- (g) Put in place mechanisms for the enforcement of this Code of Conduct to achieve its intended purpose.

## **5. PRINCIPLES UNDERLYING THE CODE OF CONDUCT**

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TBA Members and their employees are required to adhere to the TBA's Core Values, the Principles and specific Obligations stated in this Code of Conduct for purposes of ensuring credibility of the banking sector, protecting the rights and interests of the customers, maintaining trust and stability of the financial sector.

Therefore, a Member and its employees shall:

- (a) At all times act in a professional and ethical way and uphold the highest standards of integrity, honesty, impartiality, fairness, trust, transparency and diligence.
- (b) Comply with legal and regulatory requirements and endeavour to follow industry's best practice.
- (c) Treat information of customers relating to their affairs with appropriate confidentiality and due sensitivity.
- (d) Adhere to prudent disclosure and sharing of information having adverse effect to the banking industry.
- (e) Abstain from any manner of discrimination by treating all customers and employees equally and fairly regardless of their age, gender, creed, religion, ethnicity, social status, race, language, or disability.
- (f) Manage potential and actual conflicts of interest which may arise whilst performing role, and not act for personal gain or advantage.
- (g) Advise customers without misleading or taking advantage of them.
- (h) Consider the risks and implications of their actions, be accountable for them, and for the impact such actions may have on others.
- (i) Combat Corruption, Money Laundering and Financing of Terrorism.
- (j) In the performance of their professional duties, attain appropriate levels of professional education/certification, training, competence, skill and expertise.

- (k) Observe professional behaviour and attire, especially during business hours and engagements.
- (l) Observe social benefit and respect to the environment in business dealings.

## **6. OBLIGATIONS**

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### **6.1 Obligations to be fulfilled by Members**

Members are required to comply with the following obligations:

- (a) Adhere to the honesty principle in their relationships with customers, employees, shareholders and other members of the general public;
- (b) Introduce internal regulations providing measures and sanctions for the prevention of employees from defrauding and taking advantage of customers; and, or involving themselves in fraudulent and corrupt practices;
- (c) Offer clear, comprehensible and correct information to their customers within the principle of reciprocal trust during their entire services and transactions;
- (d) Provide services to customer in complete and a timely manner;
- (e) Inform customers in an open, easily understandable and clear manner regarding underlying rights and responsibilities, benefits and risks attached to products and services offered;
- (f) Adopt measures to fight against corruption, money laundering and financing of terrorism;
- (g) Take appropriate measures to prevent the use of insider information for trading purposes as well as for personal gain;
- (h) Act with honesty, accountability and transparency; and show utmost care to ensure correct, complete and timely communication of information that public authorities may request in accordance with relevant laws;



- (i) Not divulge any information relating to its current and former customers or their affairs except in circumstances in which, in accordance with the law or practices and usages customary among bankers, it is necessary or appropriate for a Member to divulge such information;
- (j) Adopt ethical and professional practices in the recruitment and deployment of personnel;
- (k) Conduct due diligence in order to ensure that potential employees have desirable background, requisite qualifications, knowledge and skills required for the job;
- (l) Exercise zero tolerance towards dishonest and fraudulent behaviour by employees and consistently take measures that deters such behaviours;
- (m) Behave objectively and honestly in answering information requests from other Members regarding their current and former employees;
- (n) Avoid statements and behaviours that may cause unfair competition;
- (o) Ensure that their announcements, advertisements and notices do not contain statements or expressions degrading other Members, their products and services; or have the effect of misleading customers and the general public;
- (p) Provide quality products and services to customers without discrimination. However, differentiating the organizational structure and product range in accordance with identified target market, or adopting different approaches to the customers in different risk groups cannot be interpreted as a discrimination of the customers;
- (q) Establish adequate and effective customers complaints handling mechanism;
- (r) Offer trainings, courses, seminars and similar opportunities to employees in order to ensure that they reach level required by the times and by the banking profession;
- (s) Provide conducive working environment to employees and organize them in a way that they give maximum productivity during the working hours;

- (t) Demonstrate diligence in support of social benefits and respect to the environment;
- (u) Promote equal opportunity in employment and strive to eliminate discrimination in employment policy and practice;
- (v) Introduce internal requirements for employees to look smart and well-dressed in conformance with the reputation of the banking profession;
- (w) Put in place a whistle blowing framework and mechanism to protect the whistle blower;
- (x) Abstain from inappropriate granting of credit facilities to directors, management, employees and their related parties;
- (y) Abstain from offering gratifications to regulators, auditors and other law enforcement agents as an inducement to influence or compromise their independence or conduct of their assignments or duties;
- (z) Abstain from preparing multiple financial statements in order to mislead regulatory authorities and other stakeholders;
- (aa) Not discriminate customers and employees based on nationality, religion, social standing, gender and disability; and
- (ab) Abstain from practices that take advantage of the joint efforts or initiatives of Members and the Association at the expense of other Members and the Association.

## **6.2 Obligations to be fulfilled by Employees**

Employees of the Members are required to: -

- (a) Act ethically, honestly, professionally and with integrity at all times;
- (b) Comply with applicable laws and regulations while executing their duties;
- (c) Abstain from overriding of internal control systems and procedures for undue/personal advantage;

- (d) Report fraudulent, unethical and suspicious activities;
- (e) Inform their customers about the benefits and risks of the products and services offered;
- (f) Offer unbiased and fair treatment to customers receiving same services;
- (g) Cooperate with other employees for common purposes in fulfilment of their duties;
- (h) Be aware of their responsibilities and accountability regarding duties assumed during the performance of their services to their employers;
- (i) Not to disclose confidential information of their employer and customers relating to their affairs to anyone other than persons and authorities explicitly authorised under the law, upon obtaining appropriate internal authorisation;
- (j) Abstain from irrational behaviour and attitudes that are likely to harm the reputation of their employer;
- (k) Abstain from soliciting for themselves or third party anything of value from anyone in return for any business, service or confidential information of the employer;
- (l) Abstain from accepting gifts, services or rewards which could affect independent judgment;
- (m) Not to engage in activities which compete, interfere with or constrain employer's primary business and responsibilities thus, employees are required to make disclosures of personal businesses or interests;
- (n) Not to abuse ones position and take advantage to enrich oneself;
- (o) Not to sexually or otherwise harass others.
- (p) Abstain from recommending to and/or influencing the employment of a person known to be of dubious or questionable character or doubtful integrity;

- (q) Not to behave contrary to the principles of justice, integrity, honesty, reliability and social responsibility;
- (r) Not to use employer's assets and resources outside designated purposes;

## **7. MISCELLANEOUS**

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This Code of Conduct shall be enforceable and binding to all Members and their employees. Every Member shall accept and subscribe to this Code of Conduct by signing the prescribed Attestation Form and cause it to be read, understood and acknowledged by its employees. The TBA Secretariat shall keep record of the Attestation Form duly signed by a Member.

## **8. ENFORCEMENT AND SANCTIONS**

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### **8.1 Enforcement**

This Code shall be executed and enforced by the Governing Council of TBA. It shall be the duty of every Member to ensure compliance with the Code and provide cooperation to TBA and other Members to enforce it.

### **8.2 Sanctions**

The Governing Council may impose any of the following sanctions to its Members for violating this Code of Conduct:

- (a) Warning;
- (b) Censure;
- (c) Suspension;
- (d) Reporting to the regulator.

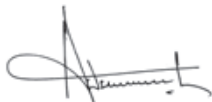
A Member shall be responsible for the enforcement and imposing appropriate sanctions to its employees for violating this Code in accordance with its internal disciplinary procedures and underlying employment and labour laws.

## 9. EFFECTIVE DATE

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This Code of Conduct shall take effect from the date of approval by the Members.

Approved by Members on: 19<sup>th</sup> September 2019



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**Chairperson**



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**Secretary**

**TANZANIA BANKERS ASSOCIATION**



**TANZANIA BANKERS ASSOCIATION**  
**ATTESTATION FORM TO THE CODE OF CONDUCT FOR MEMBERS**

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We, \_\_\_\_\_ do hereby:-

1. Acknowledge to abide by the provisions of the Code of Conduct of the Tanzania Bankers Association.
2. Undertake to have in place mechanism to ensure that the Code is complied with by employees.

Signed and witnessed under our common seal as follows: -

SEAL

**WITNESSES**

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Contact Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Signature: \_\_\_\_\_

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

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Contact Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Signature: \_\_\_\_\_

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





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