

# **Ethical guidelines for the financial market**

Since financial services are an integral part of society financial undertakings bear a great social responsibility.

The Icelandic Financial Services Association places great importance on having professional financial services in Iceland. Professionalism creates trust in our members and this generates faith in the quality of their procedures, that they follow laws and regulations and accept their social responsibility. Anyone who interacts with financial undertakings must be able to trust that the training and mentality of employees is formed by respect for their customers and also respect for the rules, institutions and core values that apply to the financial services.

The Icelandic Financial Services Association proposes that the following guidelines are followed and are used as a basis for the codes of conduct for individual members of our association:

## **1. Respect for law and supervisory authorities**

Financial undertakings respect the laws, the regulations and other guidelines that the parliament and authorities pass.

The cooperation between financial undertakings and the government and supervisory authorities shall be professional and constructive and they must be granted access to all the relevant information, as long it is relevant to what is subject to supervision and not in breach of the law.

Financial undertakings follow acknowledged codes of conducts on corporate governance.

Financial undertakings try to ensure that no part of their operations is used for illegal purposes. They adopt rules of procedure to counteract money laundering and other abuse and cooperate with the authorities to prevent questionable business practices.

## **2. Respect for customers**

Financial undertakings endeavour to maintain a good and a constructive relationship with their customers and the interests of both parties shall be paramount during a business relationship.

Financial undertakings must know their customers and have insights into their business activities in order to ensure that proper service is based on mutual trust.

Financial undertakings strive to provide their customers with quality financial advice so they can make informed decisions about their finances. Financial undertakings inform their customers of the premises for every financial decision and inform them of the financial risk associated with them.

Financial undertakings evaluate their customers' position and make their business decisions based on fair judgement.

## **3. Respect for employees**

Financial undertakings emphasize the importance of their employees having adequate knowledge of the relevant law that applies to the scope of their tasks within the financial undertaking. They encourage the continuing education of their employees and enable them to act professionally, with integrity and ambition.

Financial undertakings respect their employees' expertise and strive to promote critical and professional dialogue among them. They place emphasis on quality standards and the following of approved procedures in all decision making.

Financial undertakings encourage their employees to point out when better practices are in order. Employees that report errors or malpractice should not be punished.

#### **4. Respect for different interests**

Financial undertakings take into account the interests of customers, shareholders, employees and society in general. They take such measures in its operations that can best ensure that conflicts of interest are treated fairly and in accordance with applicable laws and regulations.

Financial undertakings use fair measures in order to gain business and avoid smear campaigns against their competitors.

Business dealings between a financial undertaking and its senior management, employees and related parties are subject to laws, regulations and guidelines to ensure objectivity in decision making.

#### **5. Respect for trust, privacy and social considerations**

Financial undertakings respect confidentiality obligations and never provide a third party with confidential information about their business connections, except when required to do so by law or the customer asks for such information to be shared.

Financial undertakings do not make use of business information about their customers for purposes other than those expected when the information was provided, unless authorisation has been obtained from that person.

Financial undertakings strive to make their employees aware of the social impact of the financial decisions they make. Employees take into account social considerations as far as possible when making necessary difficult decisions that may concern people's livelihood.