

Nepal Bankers' Association

**Code of Banking Practice in Nepal
2021 Version of the Code ¹**

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CHAPTER 1

INTRODUCTION

This is a Voluntary Code, which sets standards of good and fair banking practices for member banks of Nepal Bankers' Association to follow when they are dealing with customers. This code outlines the minimum standards of good banking practice which the customers can expect from us. It provides valuable guidance for day-to-day operations.

The Code applies to:

- i. Current, Savings and all Other Deposit Accounts,
- ii. Collection and Remittance Services Offered by the banks,
- iii. Loans and Advances,
- iv. Foreign Exchange Services,
- v. Safe Custody Facility,
- vi. Digital Banking like Card products, Internet and Mobile banking,
- vii. Third Party Products Offered through our Network,
- viii. Grievance and Dispute Handling.

As customers' needs and banking practices evolve, this Code will be reviewed and revised regularly. It should assist you to understand how we as your bank should relate to you. The Code will be a guide for you when you want to develop relationship and/or transact with us and it will help you better understand your rights and responsibilities as well as our responsibilities in serving you. We want to establish good relationship with you and we want to promote good banking practice by formalizing standards of disclosure and conduct which we will observe when dealing with you. We commit ourselves to maintain the relevant standards set out in this Code. In addition, we are also committed to the standards of ethical behavior as contained in our respective Code of Conduct. You can view the Code on your respective bank's website.

Further, the Code has been developed to:

- i. Promote good banking practices by setting minimum standards for us when dealing with you,
- ii. Increase transparency so that you can have a better understanding of what you can expect from the products and services,
- iii. Promote a fair and open relationship between you and us,
- iv. Foster confidence in the banking system,
- v. Speedy and effective handling and resolution of grievances/complaints.

CHAPTER 2

ABOUT THE CODE

2.1 What the Code is

This Code of Conduct sets out the standards of practice and service in the Commercial Banks for bank staff, customers and their guarantors. As a voluntary Code, it promotes competition and encourages market forces to achieve higher operating standards for the benefit of customers. The standards of the Code are covered by the key commitments found in the Section 3. Unless it says otherwise, all parts of this Code applies to all the products and services, whether they are provided by branches across the counter, over the phone, via mobile or online banking, through interactive electronic devices, on the internet or by any other method.

Commitments outlined in this Code are applicable under normal operating environment. In the event of force majeure, we may not be able to fulfill the commitments under this Code. Some of the key words included in the Code are defined in the Annexure at the end of the Code.

This Code comes into effect from the date as specified in Section 2.6, unless otherwise indicated.

2.2 Why the Code

- i. To promote and support policies that raise both professional standards in the industry, and standards of services to customers,
- ii. To promote good banking practices by setting minimum standards for us when dealing with you,
- iii. To increase transparency so that you can have a better understanding of what you can reasonably expect from the products and services,
- iv. To promote a fair and open relationship between you and your bank,

- v. To foster confidence in the banking system,
- vi. For speedy and effective handling and resolution of grievances/complaints,
- vii. To work with members to improve products and services for personal and corporate customers,
- viii. To promote financial inclusion by helping to widen access to banking,
- ix. To set best practice for industry-wide standards of service that customers should be able to expect,
- x. To help raise industry standards.

2.3 Whom the code applies

The Code applies to you (your), we (us, our), guarantor, business whom we provide the banking service or information is provided.

- i. You and Your: Customer/guarantor, and where relevant, a prospective customer/guarantor, and is either an individual or business.
- ii. We, Us and Our: Member Banks of Nepal Bankers' Association.
- iii. Guarantor: An individual or company who gives a guarantee to secure a loan that we give to another individual or business.
- iv. Business: A customer who applies for, or receives, a banking service for a purpose that is wholly or predominantly a trading or commercial purpose.

2.4 How the code works:

- i. We will at all times comply with applicable laws, rules and regulations of Nepal relating to banking services, including:
 - a. Bank and Financial Institutions Act, 2073
 - b. Nepal Rastra Bank Act, 2058
 - c. Loan Recovery Act, 2058
 - d. Companies Act, 2063
 - e. Baking Offence and Punishment Act, 2064
 - f. Assets (Money Laundering) Prevention Act, 2064

- g. Securities Act, 2063
 - h. Secured Transaction Act, 2063
 - i. Muluki Civil Code Act, 2074
 - j. Negotiable Instrument Act, 2034
 - k. Foreign Exchange (Regulation) Act, 2019
 - l. Privacy Act, 2075
 - m. All the Regulations of aforesaid Acts
 - n. The Circulars/Directives issued by NRB from time to time
 - o. Prevailing various Bylaws like Staff Service Bylaw, Financial Administration Bylaw, Loan Write-off Bylaw approved by NRB.
- ii. If this Code imposes an obligation on us, in addition to obligations applying under a relevant law, we will also comply with this Code except where doing so would lead to a breach of a law (for example, the privacy law).
 - iii. We will not engage in or support any corruption activities and we will be socially responsible to the cultural community and environment of Nepal.
 - iv. We will act fairly and reasonably towards you in a consistent and ethical manner. In doing so, we will consider your conduct, our conduct and the banking arrangement between us.

Our written terms and conditions for all banking services and guarantees to which the Code applies will include a statement to the effect that the relevant provisions of the Code apply to the banking service or guarantee.

2.5 Where the Code Applies:

The code is applicable to all the member of the Association. Financial Institutions who are signatories to this Code have agreed to be bound by its provisions. In order to ensure consistent application of the standards of this Code, Nepal Bankers' Association will request all the member banks to undertake an annual self-assessment of compliance with the Code.

2.6 When the Code takes effect:

The commencement date for this 2021 version Code shall be 1st March 2021. The 2021 Code will take effect and apply to a bank when the bank adopts the 2020 Code. Existing code subscribers must adopt the 2021 version Code within 30 days of the Code being published by NBA.

On and after the commencement date we will be bound by this Code in respect of a

- i. Any banking service that we commence to provide to you; and
- ii. Any Guarantee that we may obtain from you.

2.7 Review of this Code:

An independent and transparent review of this Code will be commissioned in every 5 years or sooner if appropriate, the review to be conducted in consultation with:

- i. Industry associations;
- ii. Relevant regulatory bodies; and
- iii. Other stakeholders.

CHAPTER 3

KEY COMMITMENTS

We will honor the commitments made to you and we promise to:

3.1 Fairness

- i. Act fairly and reasonably in all its dealings with you,
- ii. Ensure that our products and services meet relevant laws and regulations, and compliance driven,
- iii. Establish a clear and common set of procedures to ensure that any dispute between you and us will be resolved fairly and quickly,
- iv. Act in a manner that does not discriminate you unfairly on grounds such as marital status, gender, age or race in the provision of banking services and in the quality and terms of services provided. However, have certain special product or service offerings, which are specially designed for members of a target group.

3.2 Service

- i. Deliver best possible standards of service,
- ii. Ensure banking services are accessible, inclusive and provided to you in a fair and ethical manner,
- iii. Raise awareness of the banking products,
- iv. Take a responsible approach to lending,
- v. Advise your rights including waiver of your rights,
- vi. Provide you information in plain and understandable language.

3.3 Privacy

We will ensure that your privacy is protected by:

- i. Committing ourselves to a general duty of confidentiality towards you, except in the following circumstances:
 - a. where disclosure is compelled by law;
 - b. where there is a duty to the public to disclose; and
 - c. where disclosure is made with your express or implied consent.,
- ii. Treating all your personal information as private and confidential, and
- iii. Ceasing the use of your information for marketing purposes, or ceasing to contact you on an unsolicited basis, if you inform us that you object to these practices.

3.4 Accountability

- i. Be accountable in our dealings with you,
- ii. Explain and help you understand the financial implications, benefits, of its products and services you are interested in and help you choose the one that meets your needs, and
- iii. Deal quickly and empathetically with things that require correcting mistakes and reversing any erroneous transaction.

3.5 Reliability/ Sustainability

- i. Have a secure, sustainable and reliable banking system, including security controls for its self-service banking channels,
- ii. Keep your records and transactions confidential and accurate,
- iii. Provide up-to-date information, and
- iv. Focus on sustainable product and services.

3.6 Transparency

- i. Dealings with you will rest on ethical principles of transparency, unless it is restricted by law or competent authority and integrity,
- ii. Provide you with clear, relevant and timely information to help you make informed decisions about its products and services,

- iii. Highlight major points (including disclosure of conflicts of interest) concerning the products and services that you are interested in and provide clarifications where necessary,
- iv. Inform you, through various delivery channels (e.g. over the internet or telephone or at branches/offices), of available products and services. You may also contact us through these channels to provide any information or feedback, and
- v. Publicize the code on our website and have copies available for you on request.

3.7 Non-Discrimination

We will act in a manner that does not discriminate unfairly against any customer on grounds such as marital status, gender, disability, age, race, sexual orientation or religious denomination in the provision of banking services and in the quality and terms of services provided.

3.8 Our assurance in order to meet our commitment:

- i. We build and sustain a culture based on strong ethical foundations;
- ii. We will meet our general duties under law to protect your confidentiality and we will also have our own privacy policies;
- iii. Our staff are trained to provide friendly and efficient service, so that your transactions, enquiries and feedback will be attended to promptly;
- iv. ATMs and any other self-service banking channels are available both day and night, except when maintenance makes them temporarily unavailable;
- v. Information on our products and services will be updated and current. It will be made easily available at bank branches, through our website and through other appropriate channels;
- vi. Unless longer periods are specified by applicable legislation and its within our reasonable control, you will be informed within reasonable time in advance before any changes are implemented to Terms and Conditions, fees and charges, the discontinuation of products and services and the relocation of premises or ATMs;
- vii. Your complaint to us will be acknowledged and will be investigated within reasonable time;

- viii. A contact point is available to handle your queries and concerns, and that the concerned official responds to your query/feedback promptly;
- ix. Clients are urged to utilize the complaint management system and process of their banks;
- x. A dispute resolution process is in place to ensure all complaints can be dealt with in an independent, effective and prompt manner.

CHAPTER 4

AVAILING BANKING SERVICE

4.1 Information

4.1.1 Providing Information:

- a. We will give you clear information about our products and services so you can make an informed decision about which product or service is suitable for you. We may give you advice, or recommend that you seek advice.
- b. Before you choose a product or service, we will provide clear, relevant and timely information to enable you to make informed financial decisions.
- c. We will explain clearly the key features and risks of the range of products and services that you have indicated interest.
- d. State in clear and plain language, the salient terms and conditions, including any charges.
- e. Ask for information and documentary proof to validate your eligibility.
- f. Tell you what information we need from you to support your identity and address and to comply with legal and regulatory requirements.
- g. Request for additional information about you and your family to build a database but such information shall be used for fostering the relationship between us.
- h. After we have provided you with the information you seek, you are not obliged to buy the product or service. You may also wish to seek your own financial and legal advice before proceeding.

4.1.2 Communication of Information:

- a. Any information will be communicated with you in a timely manner and we will give you information, which will be useful and clear.
- b. Anything required to give to you under this Code may be given to in writing, electronically or by telephone as otherwise agreed with you.
- c. All communication under this code will be consistent with our obligations under the law or other applicable codes.
- d. Our terms and conditions will be distinguishable from our marketing materials.

4.1.3 Responding to your Queries/Advice:

- a. Your queries/advice will be responded through staff who are authorized and trained.
- b. Refer you to someone else who can provide you the requested information.

4.1.4 Information to be provided:

Once you have chosen a product or service and if you are entering into a contract for a banking service with us, then we will:

- a. Give our terms and conditions, where applicable, for your consideration and acceptance.
- b. Inform you of applicable charges, fee, or if applicable interest rates and other charges/cost you will have to bear should you decide on early termination of any contract.

We will do this before, or when the contract is made. This information may be in separate documents.

4.1.5 Channels of Communication:

- a. From time to time and when necessary, we will notify you of changes to the following;
 - Terms and Conditions
 - Fees and Charges
 - Interest rates
 - Planned discontinuation of service
 - Relocation of premises
- b. We will communicate these changes to you through any of these appropriate channels:
 - Account Statements
 - ATMs
 - Branches

- SMS
 - Internet, including website or through e-mail
 - Letters
 - Newspapers
- c. Should you need clarification on these changes:
- Call our Hotline
 - Ask our staff at the branches
 - Write to us; or
 - E-mail us

4.1.6 Specific Information

If the following information applies to your banking service, we will give you

- a. That information in, or with, our contract;
- b. Minimum balance requirement; any restriction on depositing money, or withdrawing money, from a relevant account;
- c. The repayment details; and
- d. How we process your request to cancel a direct debit arrangement.

4.2 Product and Services:

- a. The code covers banking services and transactions are banking products and services provided to individuals and business customers. Examples of banking products and services covered are:
 - Deposit accounts
 - Foreign exchange services
 - Digital Banking like Card products, Internet and Mobile banking
 - Safe custody facilities
 - Collection and remittance services offered by the banks
 - Loans and Advances
 - Third party products offered through our network

- b. We are committed to help you with an explanation or advice about the banking services if you ask for it. A properly trained staff member may provide this information, will refer you to the appropriate adviser, or recommend you seek or use your own adviser. You can ask the bank for information about:
- Account opening procedures,
 - The bank's obligations regarding the confidentiality of your information,
 - Complaint handling procedures,
 - The nature of bank cheques and a bank's right to dishonor a bank cheque,
 - Whether and when to inform the bank if you are in financial difficulty,
 - Account identification requirements of the Assets (Money) Laundering Prevention Act and KYC/AML Directives of NRB.

4.2.1 Information about Cheques of Deposit Accounts

You can get information on:

- a. Cheque clearing;
- b. The effect of crossing a cheque;
- c. The meaning of "not negotiable" and "account payee only";
- d. The significance of deleting the words "or bearer";
- e. Stopping a cheque;
- f. Hints on how to reduce the risk of someone altering your cheque;
- g. Cheque dishonors;

4.2.2 Information for Protection of Cards, Cheques and Passbooks

We can give you information (usually tips) on the advisability of safeguarding your cards, cheques and passbooks. This information could include:

- a. How to notify the bank of the loss, theft or misuse of these payment instruments,
- b. Consequences of not notifying the bank as soon as possible of the loss, theft or misuse of your payment instruments. If we have given you this information on a previous occasion, we do not have to do this again,

- c. You have to notify us, as soon as possible, of the loss, theft or misuse of your cards, cheques, passbooks, Personal Identification Numbers (PINs) and passwords.

4.2.3 Information to be given about a Foreign Exchange Service

A foreign exchange service includes changing currency or sending/receiving money. You will be given the following information about a foreign exchange service:

- a. The exchange rates and commission charges that will apply,
- b. Details of the basis on which the transaction will be completed, and
- c. An indication of when money would normally be received.

4.2.4 Information related to Safe Custody Service

- a. We will give you the complete details of the rules and the procedures applicable for allotment of the safe custody lockers.
- b. We will allot lockers without linking it to placement of fixed deposits. However, to ensure prompt payment of locker rent, we may at the time of allotment, obtain a security Deposit which would cover rent and the charges for breaking open the locker in case of an eventuality.
- c. We will send reminders for the overdue rent of your safe deposit locker at the last recorded address and / or e-mail or as a message over the cell phone. We would have the right to restrict operations of the locker till the rent due is paid as per the locker agreement.
- d. We will advise you that hiring of a safe deposit locker creates relation of a lessor and lessee and the lessee has the right for free access to safe deposit locker in a safe and secure environment.

4.2.5 Information about Third Party Products offered through our Network

- a. When you avail a banking service or product from us, we will not compel you to purchase / subscribe to any third party product as a quid pro quo.
- b. In the case of securities provided by you for loans availed from us, we will not insist on your obtaining insurance cover from any particular provider / same organization.

Obtaining insurance products, if any, offered by us will be purely on voluntary basis. You will be free to obtain insurance cover from a service provider of your choice.

- c. We will, at regular intervals, educate you by way of advertisement / notice board / information on website / distribution of pamphlets etc. the benefit of the products being sold at our branch, and also through e-mails and SMS, unless you have opted not to receive such information.
- d. We will ensure that all third party products sold at the branch will be explained to you by personnel who are duly qualified and trained to sell the products.
- e. We will provide detailed terms and conditions of the product which is being offered to you.
- f. We will apply appropriate customer due diligence measures before selling third party products to you.
- g. We will obtain the requisite application and documentation for a product offered only after you have consented to avail any product, in writing or through authenticated electronic means / after necessary validation.
- h. We will disclose details of all commissions / other fees received, if any for distributing the third party products.
- i. We will adhere to NRB guidelines during sale of third party products.

4.2.6 Information relating to Collection and Remittance Service offered by the banks

a. Cheque Collection Policy

Cheque Collection Policy refers to the policy followed by a bank in respect of the various local and outstation cheques and instruments deposited with the bank for credit to an account. The policy, among other things, deals with

- Cheque purchase requests,
- Time frame for credit of cheques,
- Cheques /Instruments lost in transit and charges for such collection.

b. Remittance Service

If you want to remit money within Nepal, we will inform you how to effect it and

- Give a description of our services and how to use them.
- Suggest to you the best way to send the money to suit your needs.
- Disclose the details of all charges including commission that you will have to pay for the service as per the Tariff Schedule.
- Provide on demand information of the status of the remittance made by you through Digital Banking.
- Make available on our website updated contact details of our Information Officer to handle your queries / complaints.
- We may extend remittance facilities within prescribed limits to walking customers too.

4.3 Interest:

Interest is charged by banks for the use of the money lent to you. Interest is also paid when banks accept an interest-bearing deposit from you. Not all deposits earn interest.

- i. You can find out about our interest rates by:
 - a. Looking at our notices published in national dailies;
 - b. Looking at the notices in our branches;
 - c. Phoning our branches or help-lines;
 - d. Looking on our website; or
 - e. Asking our designated staff.
- ii. You can get the information on:
 - a. Any interest rate that applies, how and when different interest rates may apply, the method by which interest is calculated, and when interest will be debited/credited to your account or frequency at which interest will accrue.
 - b. Total amount you will receive on your fixed deposits;
 - c. Any changes in interest rates within the stipulated period as appropriate for that product or service;

- d. The penalties in case of premature withdrawal of amount or premature of accounts in case of term deposits;
- e. The inherent exchange rate risks and exchange controls (if any) applicable to holding of foreign currency deposits;
- f. Applicable interest rates for the contracted period and the basis and frequency at which deductions are to be made in case of loan accounts;
- g. Formula used to compute interest rates, e.g. daily or monthly; inform you of the total amount (principal plus interest) you have to pay for your loans;
- h. Where applicable, disclose the nominal and the effective interest rates as the two rates may be different depending on what formula was used to calculate the interest on the loan.

4.4 Fees and Charges:

Cost are incurred when we provide various services to you. When you become a customer, we will give you upfront details of any charges. We will provide you with information on relevant fees and charges for the service or product that you have chosen – full details of charges for any service or product are available on request.

- i. We will:
 - a. Speedily, efficiently and fairly correct errors in any charge or price levied on, or quoted to you, in respect of any product or service and compensate you where appropriate.
 - b. Inform you of changes in charges on banking services, with reasonable prior notice, by any of the following methods:
 - Letter/statement messages/other personal notice;
 - Notices/leaflets in branches;
 - ATM/ electronic banking system messages;
 - Media advertisements;
 - Internet Banking;
 - E-mail messages;
 - Telephonic announcements (through short message services [SMS]);
 - Announcements on our website.

- ii. You can also find out about our charges by:
 - a. Asking our staff at the branch where you have your account,
 - b. Phoning our help-line, or
 - c. Looking on our website.
- iii. Where we consider that there may have been a material pricing error, we will without delay, inform you of our proposals for correcting any such error.
- iv. We will also provide information on any additional charges and interest you may have to pay on overdrafts and fixed term products when:
 - a. Your account becomes overdrawn without prior agreement;
 - b. You exceed your overdraft limit;
 - c. Your loan falls into arrears;
 - d. You decide to settle a loan early; or
 - e. You make an early withdrawal or early cancellation; and
 - f. When a debit order is returned.

4.5 Terms and Conditions:

- i. When you become a customer or accept a product for the first time, we will give you the relevant terms and conditions for the service you have asked us to provide.
- ii. We promise that;
 - a. Where applicable, a set of Terms and Conditions relating to each banking service will be made readily available to you, with all the fees, charges, penalties and relevant interest rates, your liabilities and obligations in the use of a banking product or service highlighted.
 - b. Our staff will be available to answer queries you may have concerning the Terms and Conditions.
 - c. The Terms and Conditions provide a fair and balanced description of the relationship between you and the bank.
 - d. Simple language will be used to the extent that it is consistent with the need for legal certainty. Legal and technical language will only be used when unavoidable.
 - e. Normally, any changes will be made with prospective effect giving appropriate notice.

- f. Will notify you of any changes in the Terms and Conditions governing the product or service through an appropriate channel. Or give you prior notice in the absence of any contractual agreement to the contrary before changing the Terms and Conditions.
- iii. If the changes are to your disadvantage or if you do not wish to accept the variation to the Terms and Conditions:
 - a. You may terminate the banking service, subject to the existing applicable Terms and Conditions.
 - b. Upon your request to lower / waive applicable fees, charges or penalty in the termination of banking services, we will consider your request reasonably, but exercise its sole discretion whether or not to lower / waive such fees, charges or penalty.

4.6 Opening an account:

- i. Before or at the time you open an account, you can get information about your rights and obligations relating to the account. This may include informing you about:
 - a. The type of account and how and by whom the account may be operated;
 - b. Any minimum balance requirements;
 - c. Offered interest rates in the accounts;
 - d. Identity of the person seeking to open an account in order to protect its customers, the public and ourselves against misuse of the banking system, hence we may seek various documents and information about you and the ultimate beneficiary owner;
 - e. How funds may be deposited or withdrawn from the account;
 - f. The usual time taken for clearing a cheque or a payment instrument credited to the account;
 - g. Any mandates to be given or other standing instructions;
 - h. Any rights of set-off claimed by us;
 - i. Importance of Nominee in an account;

- j. Proper use of cheques, ATM Card, Credit Card, Mobile Banking, Internet Banking and other associated services;
- k. The requirements for closing the account.

4.7 Operation of Account:

- i. To enable you to operate your account, we can assist you by:
 - a. Debiting your account through various instruments and alternative channel products as per the request.
 - b. Crediting your account through vouchers and alternative channels.
 - c. Managing your account and checking entries in it upon your request.
 - d. Providing account statements as stated in the Terms and Conditions.
 - e. Providing statement/transaction history
 - f. Accepting your mandate for direct debits and other standing instructions/cheques issued by you.
 - g. Suggesting you how and when a cheque may be stopped.
 - h. Maintaining record of cheques paid from your account and deposit vouchers received in your account for such periods as required by law.
 - i. Informing about counting notes and ensuring correctness before leaving the cash counter
 - j. Obtaining Identification and verification documentation on a regular basis, including when there is a change in your circumstances (e.g. change of address, mobile no., amendment in identification documents), failing which we may by law be prohibited from stopping your transaction or freeze your accounts.
 - k. Suggesting regulatory requirements or conditions relating to foreign exchange services offered by us as and when required by you.
 - l. Suggesting you, how we deal with your account if it becomes dormant and has any unclaimed balance in it.
 - m. Details of any commission and charges while availing services including foreign exchange services.

4.8 Acquiring a new product or service:

We will ensure that we have your agreement about fees while you acquire any new product or service.

4.9 Closure of Accounts:

We will assist you to close an account that you no longer require. We will not close your account without giving you reasonable prior notice at the last address or address updated by you.

- i. We reserve the right, however, to protect our interest in our discretion, which might include summarily closing or not to operate your account:
 - a. If we are compelled by law;
 - b. If you have not used your account for a significant period of time;
 - c. If we have reasons to believe that your account is being used for any illegal purposes.
- ii. We will inform you about the implications of abandoning an account (not using it) as opposed to closing it. For instance, there may unclaimed balances with associated fees, balance may have to be written off and you need to know what the reclaim process is, if it applies to your account. We may have internal rules that require that an account that is not used for a set number of consecutive days be made inactive until after the client comes to the bank to reactivate it.

4.10 Cards, Pins, Password and other unique means of personal identification:

- i. We may issue you a card, or replace one that has already been issued, and may charge fees for this.
- ii. Your PIN, password and other unique means of identification are strictly confidential. Where a bank supplies these, they will be issued only to you, separately from card where applicable. You should never disclose your PIN,

password or other unique means of personal identification to anyone, and especially not to any employee of the Bank.

- iii. We will tell you if you can select your own PIN, password or other unique means of personal identification.
- iv. We will tell you about our system to allow you to choose or change your PIN, password, or other unique means of personal identification when the need arises.
- v. We will inform or publish the contact details you should use to report lost or stolen cards or cheque books in statements, at ATMs or through other means of communication to you.

CHAPTER 5

CONFIDENTIALITY AND PROTECTION

- i. All information about you and your relationship with us will be held in strict confidence except in the following circumstances:
 - a. You give us written permission to reveal the information.
 - b. If the law compels or permits us to disclose your information.
 - c. If there is a duty to the public to reveal the information.
 - d. If it is in the interest of banks to reveal information. For example, in the process of recovering debts.
 - e. If we agree with their customers to share information amongst themselves.
 - f. We will take all reasonable measures to protect you while in the bank premises.
- ii. Any instance of suspicious transactions will be reported to the relevant authorities in our endeavors to fight money laundering and other vices.
- iii. In very exceptional circumstances, such as suspected fraud, we may stop operations/close your account without giving you prior notice.
- iv. Make sure that you keep your cheques, cards, personal identification numbers and other security information safely to protect your account and help prevent fraud.
- v. Inform us as soon as you suspect or discover that these items have been lost or stolen or are known to someone else who may use them fraudulently.
- vi. Whenever we have installed CCTV for close surveillance as part of security arrangements, the same will be indicated.

CHAPTER 6

REASONABLE CARE AND PROTECTION OF YOUR ACCOUNTS

Taking care of your cheque book, savings account book, cards, electronic wallets, PINs, passwords and other unique means of personal identification is essential to help prevent fraud and protect your accounts.

- i. Always ensure that you:
 - a. Let us know as soon as possible when you change your address, phone number, email address;
 - b. Do not keep your cheque book or your PIN and cards together;
 - c. Do not allow anyone else to use your card, PIN, password or other unique means of personal identification;
 - d. Always take reasonable steps to keep your card, PIN, password and other unique means of personal identification secret, safe and secure at all times; never disclose your PIN or password to anybody, including family, friends or any bank employee who offers to assist you;
 - e. Never write down or record your PIN, password or other unique means of personal identification;
 - f. If you must write it down, ensure that it is not accessible to others and that it is disguised. For example, never write down or record your PIN using the numbers in the correct order;
 - g. Are alert to the risk of muggings, card cloning and card swapping when using ATMs or other electronic banking devices;
 - h. Do not use ATMs or associated systems that have obviously been tampered with or that contain warning messages;
 - i. Do not use PINs that are easy to guess;
 - j. Use your card with care.

- ii. It is critical that you tell us as soon as possible if you suspect or discover that:
 - a. Your cheque book, savings account book, cards and/or electronic purse have been lost or stolen;
 - b. Someone else knows your PIN, password, information about your accounts or personal information or your other unique means of personal identification; or
 - c. There are transactions on your accounts, which you have not authorised; any funds or deposits which you are not entitled to.
- iii. It is essential that you take care when storing or getting rid of information about your accounts. People who commit fraud use many methods, such as retrieving statements from bins, to get this type of information.
- iv. We will take reasonable precautions to minimize crime at those ATMs. You also have a responsibility to do the same. You should therefore adhere to any notices of caution at ATMs in order to protect yourself against crime at ATMs. In particular, be wary of anybody who comes near you or attempts to distract you while you are using an ATM.
- v. In cases of theft or fraud, we may also need you to open a case with the police services and we will provide you with the necessary information to facilitate this with the police.
- vi. We will publish the contact details in communication with you, which you should use to report lost or stolen cards or cheque books or to advise us if your PIN, password or unique means of personal identification has been compromised.
- vii. Ignore any e-mail asking for your password or PIN.
- viii. Visit our internet banking site directly where these services are available. Avoid accessing the site through a link from another site and verify the domain name displayed to avoid spoof websites.
- ix. Avoid using cyber cafes to access our internet banking site or avoid using free and unsecured Wi-Fi.
- x. When you report that a cheque book, savings account book, card or electronic wallet has been lost or stolen or that your PIN, password or other unique means of personal identification has been compromised, we will give you a code or

reference number. Please keep this number for future reference, as this is your proof of having reported the loss or theft.

- xi. Do not do any act contrary to law or without reasonable care, your liability for the misuse of your card will be limited as indicated by us while using the card.

CHAPTER 7

LOAN AND ADVANCES; FAIR LENDING APPROACH

- i. Before we lend you any money or increase your overdraft, credit card limit or other borrowing, you should satisfy the Bank, for which information/interview will require. Loan/advance are granted to facilitate the need of customer at sole discretion of the Bank and it cannot be claimed as a matter of right.
- ii. If we are considering providing you with a new loan, or an increase in a loan limit, we will exercise the care and skill of a diligent and prudent banker.
- iii. If you are an individual customer, that is not a business, we will do this by complying with the law.
- iv. If you are a small business, when assessing whether you can repay the loan we will do so by considering the appropriate circumstances reasonably known to us about: a) your financial position; or b) your account conduct.
- v. Where reasonable to do so, we may rely on the resources of third parties available to you, provided that the third party has a connection to you (that is, to the small business). For example, where the third party is a related entity of yours (including but not limited to your directors, shareholders, trustees, beneficiaries or related body corporates), or is a partner, joint venture, or guarantor of yours.
- vi. We also owe an obligation to any guarantor of the loan to comply with the above paragraph in assessing the borrower's ability to repay the loan.
- vii. Reason for rejection of loans will be conveyed to you.
- viii. If you are a guarantor,
 - a. Your guarantee will be limited to:
 - A specific amount and/or category of amounts such as all amounts owing under a specific loan, plus other liabilities and amounts as described in the guarantee (for example, interest and recovery costs); or
 - The value of a specified property or other assets under a specified mortgage or other security at the time of recovery.

- b. We will tell you about any notice of demand we have made to the borrower for the guaranteed loan, or any loan the borrower has (or has had) with us, or any existing loan we have given, the borrower will be cancelled if the guarantee is not provided.
- c. We will provide you a copy of documents in relation to the borrower.

7.1 Debt Recovery

- i. When you take up a loan or credit facility, you would have agreed to repay the loan or amount outstanding. If subsequently you find yourself in financial difficulties and are unable to repay, the bank has the right to take steps to recover the amount owing.

If you find yourself in financial difficulties, the following may happen:

- a. We contact you to discuss the matter and will do all we can to help you overcome your difficulties. Do not ignore our calls.
- b. You contact us as soon as possible to work out a repayment plan.
- c. The sooner you approach us, the easier it is for a plan to be worked out, and the more information you provide, the more realistic the plan will be.
- d. In the course of recovering the debt from you:
 - We will not incur unreasonable costs and expenses;
 - We are entitled to offset the outstanding amount owing with any credit balances in your other accounts, including your deposit account with the bank;
 - Upon request, we will provide a detailed breakdown of the costs and expenses;
 - We will not try to recover debt from third parties including your referees, family members or friends unless these persons have signed a formal agreement to be your guarantor or they possess your assets or there are some receivables you have to receive.
- e. While recovering debt we promise to adhere to Laws, Rules and Regulations:
 - Collection activities by or on behalf of us will at all times comply with all applicable laws, rules and regulations;
 - All forms of communications used by us will adhere to the Bank's standard / practice;

- Borrowers' repayment conduct will be reflected in the borrowers' credit information report.
- f. We will, as far as possible, limit calls to certain times and places. If a message has to be left, its contents will be limited to the information required for you to return the call:
- Collection efforts will include providing information on options to establish a debt repayment schedule, taking into account your financial situation;
 - We will respond in a timely manner to any reasonable requests for information or clarifications;
 - We will not use collection methods that may embarrass you or put you at risk of losing your job, for example calling or writing to your employer without giving due notice to you.;
 - If the borrower does not respond or is not contactable, we will also contact the guarantor and invoke guarantee.
- g. We promise that our Conduct will:
- be respectful and professional when communicating with you;
 - be appropriately dressed when meeting you and will always carry appropriate identification and explain the purpose of the meeting;
 - accurately explain to you the impact of non-payment whether communicating verbally or in writing;
- h. Protect the privacy by ensuring that information of your indebtedness is not shared with a third party unless specifically authorized by you or required by applicable law or in course of information sharing between us.

CHAPTER 8

INCLUSIVE AND ACCESSIBLE BANKING

- i. We will raise awareness of banking;
- ii. We are committed to providing banking services which are inclusive of all people including older customers; people with a disability and will train our people to treat our diverse customers with sensitivity, respect and compassion;
- iii. We are committed to improving the accessibility of our banking services for people with disability and older customers or specialized group and also take reasonable steps to make information about our banking services accessible to customers in remote locations.

CHAPTER 9

FURTHER ASSISTANCE

9.1 Deceased Assets disposal:

- i. We will treat the deceased person's representative with respect and compassion and provide clear and accessible information on what you, the deceased's representative, can do to manage a customer's account in the event of their death. This information will include:
 - a. How to notify us of a customer's death;
 - b. Who has authority to access the customer's account or loan details;
 - c. What information we need to verify the identity and authority of that person;
and
 - d. What steps the person authorized needs to take to manage the deceased customer's accounts, including information about direct debits and recurring payments on those accounts.

- ii. Once notified of a customer's death we will:
 - a. Identify any fees that are for products and services that can no longer be provided, or will not be provided to the deceased's estate;
 - b. Stop charging those fees upon the surrender of the availed services e.g. surrender of locker key to us by the representatives of deceased person;
and
 - c. Act on instructions concerning a deceased's account from a nominee or legal heirs receiving the necessary information.

9.2 Complaints/Grievances and Feedback/Suggestions

In the circumstances where disputes and complaint may arise from the application of this Code, this Code provides a clear dispute resolution mechanism. Financial Institutions must deal with complaints in an effective and timely manner.

- i. If you want to make a complaint, contact us in the first instance. We will tell you how to do this and what to do.
- ii. On its part, we will ensure that:
 - a. Up-to-date information on internal dispute resolution process and external dispute resolution process is available at our branches, website or other digital platforms or telephone services;
 - b. All staff who deal directly with customers are familiar with the complaint procedures and are able to give you correct information about the procedures;
 - c. Within reasonable period of receiving your complaint, we will send you an acknowledgement;
 - d. We will keep you informed of the progress of your complaint;
 - e. Unless for complaints requiring investigation by a third party (which may take longer), investigate your complaint and inform you of the status of its investigation;
 - f. We will provide you a written response unless otherwise required the outcome of our findings and investigation of your complaint;
 - g. If we resolve your complaint to your satisfaction timey, we do not need to provide you with a written response unless you ask us;
 - h. If you are not satisfied about the outcome or if we are unable to resolve your complaint, we will give you information on where to go (NRB Grievance Cell or other avenues) for readressal.
- iii. We will ensure our process for handling your complaint is fair and reasonable.
- iv. We will also comply with NRB Directives for redressal of your complaint.

CHAPTER 10

MONITORING

- i. We have a Compliance Officer to ensure compliance of the Code. Our internal auditing procedures make sure we meet the Code.
- ii. The Grievance Handling Committee formed at NBA shall monitor the implementation of the Code by the member banks.

ANNEXURE

These definitions explain the meaning of words and terms used in the Code. They are not precise legal or technical definitions.

i. ATM (Automated Teller Machine)

A cash machine or freestanding electronic banking device dispensing cash which may also provide other information or services to clients who have a card and a PIN, password or other means of unique identification.

ii. Business Day:

A day on which business may be conducted. This excludes Saturdays and public holidays.

iii. Cards

A general term for any plastic card used to pay for goods and services and to withdraw cash. In this Code, it includes debit, credit, pre-paid or ATM cards.

iv. Commencement Date

The date from which we have publicly announced that we have adopted this Code and, in relation to any subsequent amendments made to this Code, the date from which we have publicly announced we have adopted those amendments.

v. Complaint

An expression of dissatisfaction made to us in relation to a banking service, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected.

vi. Digital Banking Services

Banking service delivered over the internet, mobile, ATMs or other electronic terminals or devices.

vii. Dispute

A complaint raised by you which could not be mutually resolved between you and your bank.

viii. Financial Difficulties

Any circumstances which might have an adverse effect on a client's financial ability to fulfil contractual obligations.

ix. Guarantee

An undertaking given by a person called the surety/guarantor, to pay the debts of another person (known as the principal debtor), if that person fails to pay.

x. Loan

The credit or financial accommodation provided to you under the banking service, including, but not limited to credit facility, credit contract, loan facility, home loan, personal loans, bill facilities, overdrafts, commercial asset finance, etc.

xi. Password

A word or an access code a client selects to permit them access to a mobile or internet banking service, which is also used for identification. A client may occasionally be supplied with a temporary password which must be changed by the client to a password unique to them. Temporary passwords may be less secure than other passwords and failure to immediately change this temporary password may be construed by the bank as negligence on the part of the client.

xii. PIN (Personal Identification Number)

A number provided by the bank to a card holder or chosen by a cardholder/client, on a strictly confidential basis. Use of this number by the client will enable the client to withdraw cash and access other services from an ATM or point of sale device and can be used as an authentication mechanism on many other delivery channels.

xiii. Security/Collateral

Words used to describe items of value such as a mortgage registered over a property, share certificates, life policies, etc, which represent assets used as support for a loan or other credit facilities.

xiv. Unique Means of Personal Identification

A selection of memorable facts and information of a private and personal nature chosen by the client (the sequence of which is known only to the client) which can be used for identification and to verify identification when accessing accounts.