

# **Global Banking Education Standards Board**

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## **Ethics Education and Training for Professional Bankers**

## OVERVIEW

### Introduction

The Global Banking Education Standards Board (GBESTB) was established in 2017. A voluntary, industry-led initiative established by 25 banking institutes, the GBESTB aims to develop clear, internationally agreed standards for the education of Professional Bankers<sup>1</sup>. The GBESTB's standards will inform the development of national banking education programmes delivered by banking institutes, and others, providing the foundation for high-quality and consistent education of bankers. This should, ultimately, enhance and sustain global standards of ethics and professionalism in banking worldwide, contributing to financial stability, and facilitate the international mobility of Professional Bankers

The GBESTB established the Education Standards Committee to develop and publish standards for banking education. Following a consultation exercise to establish priorities for standards development, it was agreed that the GBESTB's first standard should support the ethics education of Professional Bankers worldwide.

### Purpose

*Ethics Education and Training for Professional Bankers* is designed to help GBESTB member bodies and others develop and implement ethics education programmes for Professional Bankers. Promoting a more consistent approach to the ethics education of Professional Bankers worldwide should, in the GBESTB's view, help develop a strong and consistent culture of customer and client-focused, ethical professionalism in banking, and contribute to financial stability.

### Scope

*Ethics Education and Training for Professional Bankers* sets out the GBESTB's expectations of and guidance for member bodies in terms of general recommendations, and recommendations for the content, delivery and assessment of ethics education programmes for Professional Bankers.

The Standard is primarily written for GBESTB member bodies, but may also be helpful to a wide range of stakeholders involved in the education and training of banking professionals, including:

- Banking and financial institutions
- Central banks and financial regulators
- Universities, colleges and business schools
- Training providers
- Government authorities

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<sup>1</sup> Professional Banker" is a term used by the GBESTB to define "an individual who has successfully completed a relevant certification programme accredited or provided by a GBESTB member organization".

## **Format**

*Ethics Education and Training for Professional Bankers* contains both recommendations (set out in **bold text**) which it expects all GBESTB member bodies to use their best endeavours to comply with, and guidance (set out in *italic text*) which it expects GBESTB member bodies to consider when implementing the Standard.

## **Translation**

The GBESTB publishes *Ethics Education and Training for Professional Bankers* in English. GBESTB member bodies may, at their expense and with written permission from the GBESTB's Education Standards Committee, translate this Standard into other languages. GBESTB member bodies will ensure that:

- Any translation is accurate and faithful to the original Standard;
- Copyright in original and translated forms remains with the GBESTB;
- No commercial use of the Standard or translation is permitted; and
- In the event of any dispute, the English version of the Standard shall prevail.

## **Effective Date**

*Ethics Education and Training for Professional Bankers* is effective from 1<sup>st</sup> June 2018, and GBESTB member bodies are expected to take active steps from that date to work towards compliance with this Standard.

## **Review Date**

*Ethics Education and Training for Professional Bankers* has been reviewed in GBESTB meeting on 25<sup>th</sup> May, 2021 and the date of publication of reviewed document has been fixed on 1<sup>st</sup> June, 2021. The next review of the document will be due on or before 1<sup>st</sup> June, 2024.

## **RECOMMENDATIONS AND GUIDANCE**

### **GENERAL RECOMMENDATIONS**

- 1. GBESTB member bodies shall ensure that all Professional Bankers undergo ethics education and training relevant to their role, function and organisation.**

*GBESTB member bodies should work with employers and educators to seek to ensure that Professional Bankers complete a relevant programme of ethics education at an early stage in their career, ideally prior to or on joining the banking industry.*

*Such programmes should include, as a minimum, education and training in the areas set out in the “Key Ethical Principles” and the “Content of Ethics Education and Training Programmes” sections of this Standard.*

- 2. GBESTB member bodies shall provide, or work with others to provide, appropriate ethics education and training to support Professional Bankers at all stages of their career.**

*GBESTB member bodies should consider how they, and others, can provide an appropriate range of ethics education and training programmes to support the initial and continuing professional development of Professional Bankers. This is likely to include formal qualifications, CPD and ethics refresher training, and the provision of self-study ethics materials such as case studies. GBESTB member bodies are encouraged to consider introducing, where possible, annual ethical training for Professional Bankers.*

*GBESTB member bodies should regularly review the content, delivery and assessment of their education, training and CPD programmes for Professional Bankers, and those delivered by others, to ensure they remain relevant and up-to-date.*

- 3. GBESTB member bodies shall ensure that ethics education and training programmes include appropriate assessments to demonstrate that Professional Bankers understand and demonstrate professional values relevant to their level of expertise and experience.**

*GBESTB member bodies should consider whether there should be an appropriate form of formal assessment for Professional Bankers at an early stage in their career.*

*GBESTB member bodies should consider which forms of assessment might be most suitable for Professional Bankers with greater expertise and experience.*

*GBESTB member bodies may consider working with employers and others to assess the application of professional values throughout Professional Bankers’ careers.*

## **KEY ETHICAL PRINCIPLES FOR PROFESSIONAL BANKERS**

- 4. GBESTB member bodies shall prescribe and promote a set of ethical principles for Professional Bankers, consistent with those below, and ensuring these are aligned with relevant governing laws and regulations as far as possible.**
- 5. GBESTB member bodies shall ensure that ethics education programmes for Professional Bankers include appropriate coverage of the following ethical principles, and assess Professional Bankers' ability to understand and apply these in a range of familiar banking contexts:**

### ***Ethical Principle 1. Integrity***

- Professional Bankers shall be honest and open in all their dealings. This includes:
  - acting with dignity, integrity, accountability, professional competence and in an ethical and trustworthy manner when dealing with the public, clients, prospects, employers, and colleagues;
  - avoiding any behaviour that might damage the reputation of, or bring discredit to the banking profession; and avoiding any oral or written statements that misrepresent their services, their qualifications or the qualifications of their firm.

### ***Ethical Principle 2. Maintenance of Professional Competence***

- Professional Bankers shall develop and maintain the relevant knowledge and skills and to ensure that their activities are conducted professionally and proficiently. This includes acting with due skill, care and diligence, considering the risks and implications of their actions and advice, and holding themselves accountable for them and their impact; as well as obtaining, and regularly updating, the appropriate qualifications, training, expertise and practical experience.

### ***Ethical Principle 3. Duty of Care – Putting Clients' and Customers' Interests First***

- Professional Bankers shall pay due regard to the interests of prospective and existing clients and customers and treat them fairly by:
  - understanding clients' and customers' needs and offering appropriate advice and solutions;
  - putting clients' and customers' interests first, and not exploiting client or customers for personal or commercial advantage; and
  - not discriminating against any client on such grounds as age, gender, marital status, national or ethnic origin, physical or mental disability, political affiliation, race, religion, sexual orientation, or socioeconomic status.

***Ethical Principle 4. Conflicts of Interest***

- Professional Bankers shall not allow any conflict of interest, bias or undue influence of others to override their ethical and professional judgment. They shall provide full disclosure to those concerned of all information and relevant matters that could impair their objectivity, including potential and perceived conflicts as well as actual ones.

***Ethical Principle 5. Fair Competition***

- Professional Bankers shall consider competition as a legitimate race among all relevant entities operating in the banking sector which assures freedom in economic decisions, and to this end, they abstain from statements and behaviors causing unfair competition, within the frame of the principles of:
  - demonstrating proper standards of market conduct at all times;
  - actively promoting greater trust in banking industry;
  - supporting the common interests and reputation of the banking industry;
  - maintenance of a fair marketplace, as required by competition laws.

***Ethical Principle 6. Confidentiality***

- Professional Bankers shall protect the confidentiality and sensitivity of information provided to them. This includes using such information for its intended purposes only and not divulging sensitive information to any unauthorised persons, including third parties, without the necessary consent from those involved, unless disclosure is required by law or regulation.

***Ethical Principle 7. Compliance with Legal and Regulatory Requirements***

- Professional Bankers should maintain their knowledge of all applicable laws and regulations governing their professional activities, and conduct their professional activities in a manner consistent with these at all times. Professional Bankers should also, within the framework of international norms and nationally applicable laws and regulations, take active steps to identify, deter and prevent financial crime and fraud including, but not limited to:
  - Money laundering and terrorist financing
  - Bribery and corruption
  - Insider trading

## **CONTENT OF ETHICS EDUCATION AND TRAINING PROGRAMMES**

**6. GBESTB member bodies shall ensure that ethics education and training programmes for Professional Bankers include the following key topics, are appropriate and relevant, and are periodically reviewed to ensure they remain up-to-date;**

- **The social purpose of banking organisations and how banks support customers, clients, communities and a wide range of stakeholders;**
- **The importance and key features of a customer and client-focused, ethical and professional approach to the practice of banking, as set out in relevant regulatory and professional codes;**
- **Managing the asymmetry of information between banker and customers/clients in an ethical and professional manner;**
- **Duties and responsibilities of Professional Bankers, including when and how to escalate issues and speak up when necessary;**
- **The development and application of personal and professional values and attitudes, including the Key Ethical Principles set out above;**
- **An introduction to different approaches to ethics, and different ethical decision-making models;**
- **Identifying and dealing with conflicts of interest, and other ethical dilemmas;**
- **Treating information with appropriate confidentiality and sensitivity;**
- **Examples of good and bad ethical practice in banking and business; and**
- **The impacts on individuals, institutions, the banking industry and society of unethical and unprofessional behaviours.**

*GBESTB member bodies may also consider including some or all of the following additional topics in ethics education and training programmes for Professional Bankers, where appropriate and relevant:*

- Different types of banking organisations (e.g. commercial banks, mutuals, savings banks, co-operative banks);
- The development of banking, and the causes and impacts of financial crises;
- Access to banking services (financial inclusion and exclusion);
- Role and purpose of relevant regulation and legislation, and how this impacts on ethical decision-making;
- Organisational culture and conduct, and how these can be enhanced and embedded;
- Principles and practice of corporate governance, including fiduciary duties;

- History and development of ethical thought, with particular reference to the application of professional ethics in the workplace;
- Social and environmental issues and corporate social responsibility in a banking context; and
- Professional ethics in an increasingly digital/technology-driven environment.
- Globalisation and Ethical challenges.

**7. GBESTB member bodies shall ensure that all Professional Bankers demonstrate AT LEAST an understanding of the key topics set out above**

*For Professional Bankers with experience in banking and financial services, GBESTB member bodies may consider seeking to ensure they demonstrate and ability to analyse and apply the key topics set out above.*

*For Professional Bankers at senior levels, GBESTB member bodies may consider seeking to ensure they demonstrate the ability to critically reflect on the key topics set out above.*

## **DELIVERY OF ETHICS EDUCATION AND TRAINING PROGRAMMES**

**8. GBESTB member bodies shall ensure that ethics education and training programmes use appropriate delivery methodologies that will help Professional Bankers develop and demonstrate an understanding of the key topics set out above.**

*A wide range of structured assessment methodologies may be appropriate, depending on context, but may include some or all of:*

- Formal study of one or more standalone ethics modules as part of a wider programme of banking education;
- The integration of ethics into technical banking modules (e.g. considering ethical aspects when making a credit decision)
- Classroom-based ethics training;
- E-learning and/or blended learning;
- Supported or unsupported distance-learning; and
- Seminars, workshops and similar events organised by GBESTB member bodies, employers, training providers and others.



*In addition, the delivery of ethics education and training to Professional Bankers may include:*

- Discussing case studies and similar materials, either in classroom/online or via employer-led study groups;
- Participating in role-plays or simulations where different ethical decisions lead to different outcomes for organisations and individuals;
- Discussing real-life ethical dilemmas and conflicts of interest with professional colleagues and others;
- Using ethical decision-making models to analyze real-life ethical dilemmas arising in the workplace;  
Studying and discussing ethical dilemmas from other industries;
- Coaching and mentoring; and
- Self-reflection on personal and professional experiences where ethical dilemmas and conflicts of interest have occurred.

**9. GBESTB member bodies shall establish suitable quality assurance mechanisms to ensure that ethics education and training programmes achieve the objective of helping Professional Bankers develop and demonstrate an understanding of the key topics set out above.**

*GBESTB member bodies should consider regularly obtaining and acting upon feedback from Professional Bankers undertaking ethics education programmes, their employers and from other interested parties.*

*GBESTB member bodies may want to set criteria to ensure that ethics education and training programmes are delivered by suitably qualified educators and training providers with relevant expertise and experience.*

## **ASSESSMENT OF ETHICS EDUCATION AND TRAINING PROGRAMMES**

**10. GBESTB member bodies shall ensure that all Professional Bankers undergoing ethics education and training programmes are assessed, at least at an early stage in their career, in order to demonstrate an understanding of the key topics set out above.**

*GBESTB member bodies should consider and apply appropriate forms of formative and summative assessment which may include some or all of:*

- *Objective testing (although this may not be suitable for assessing all aspects of ethics education);*
- *Traditional “long-answer” examinations;*

- *Reflective essays and journals;*
- *Work-based projects and assignments;*
- *Facilitated and assessed group discussions, and other groupwork;*
- *Case studies (either completed individually, or as a group).*

*GBESTB member bodies may consider regular assessment of ethics education and training for Professional Bankers (e.g. annually) as part of CPD or other recommendations or regular training programmes*

## **IMPACT MEASUREMENT**

- 11. GBESTB member bodies shall develop a set of indicators that enable the monitoring of the impact of this Standard across their operations. This measurement should validate the degree of adherence to the standard and assist the GBESTB to identify and address any gaps.**

*GBESTB member bodies should use customer or employee satisfaction surveys or other suitable mechanisms to gather feedback on whether and how this Standard is being implemented.*

## **PUBLIC DECLARATION**

- 12. GBESTB member bodies shall publicly endorse and, when implemented, declare their alignment with this Standard, identifying and explaining any areas where they have not been able to fully implement the Standard.**

*The GBESTB retains the right to withdraw or refute any form of endorsement or declaration by any member body who has failed to adhere to this Standard.*