



## Corporate Code of Ethics and Conduct

The Labuan International Insurance Association (LIIA) professes the highest professional and ethical standards in insurance and financial services worldwide.

The Council and Membership of the LIIA look to all Member Companies to ensure that their employees meet these standards and to maintain the reputation of the LIIA by following this Code of Ethics and Conduct (the Code). It sets down the principles which all employees of member companies of the LIIA should follow in the course of their professional duties.

Save and except where there is conflict between local custom and the values of the Code, Member Companies are obliged to ensure that their employees comply with this Code.

Notwithstanding the above, for any non-compliance of the Code by Member Companies, LIIA retains the discretion to take action against any Member Company under section 5.13 of the Code.

The key values which set the standards for the conduct and decorum of all LIIA members in respect of the key stakeholders in sections 1 to 5 below are:

- A. Behaving with responsibility and integrity in their professional life and taking into account their wider responsibilities to society as a whole. Acting in a courteous, honest and fair manner towards anyone they deal with. Being trustworthy and never putting their interests or the interests of others above the legitimate interests of their stakeholders;
- B. Complying with all relevant Laws, Statutes, Regulations and Guidelines and meeting the requirements of all applicable regulatory authorities and

appropriate codes of practice and codes of conduct;

- C. Demonstrating professional competence and due care including:
  - a. Meeting the technical and professional standards relating to their level of qualification, role and position of responsibility;
  - b. Completing their duties with due skill, care and diligence;
- D. Upholding professional standards in all dealings and relationships;
- E. Respecting the confidentiality of information;
- F. Applying objectivity in making professional judgments and in giving opinions and statements, not allowing prejudice or bias or the influence of others to override objectivity.

Member Companies and their employees should respect the traditions and cultures of each country in which they operate. They should carry out business in any country according to all applicable local Laws, Statutes, Regulations and Guidelines. Where there is a conflict between local custom and the values stated above, the Code will act as an agreed guide to help members to act professionally.

Employees of Member Companies operating in a professional capacity have duties arising from these key values, to a number of different groups. Within these relationships employees of Member Companies should always act ethically and their behaviour and conduct should meet the following principles:

### 1. Relations with customers

Member Companies and their employees will seek to earn and maintain the trust of their customers at all times and should:



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- 1.1 Give fair and proper consideration and the appropriate priority to the interests and requirements of all customers. Obtain and provide relevant information, including all necessary documentation and respect the confidentiality of information;
- 1.2 Avoid conflict between personal interests, or the interests of any associated company, person or group of persons and their duties to all customers;
- 1.3 Avoid conflict between any competing interests of one or more customer(s), stepping aside in one or all matters if such conflicts cannot be resolved;
- 1.4 Act at all times with due skill, care and diligence;
- 1.5 Act only within the limits of personal competence and any limits of authorisation;
- 1.6 Act in a financially honest and prudent manner, including ensuring the protection of any money and/or property held on behalf of customers;
- 1.7 Act openly, fairly and respectfully at all times, providing all customers with due respect, consideration and opportunity;
- 1.8 Be honest and trustworthy with customers and communicate with them in a clear, prompt and appropriate manner;
- 1.9 Provide suitable and objective recommendations to customers;
- 1.10 Comply with all Laws, Statutes, Regulations and Guidelines regarding the supply of goods and services to customers;
- 1.11 Not provide or accept money, gifts, entertainment, loans or any other benefit or preferential treatment from or to any existing or potential

customer or provider, other than occasional gifts, entertainment or remuneration, which are provided as part of accepted business practice, and which are not likely to conflict with duties to customers.

## 2. Relations in employment

Member Companies should aim to ensure good relations with their employees.

- 2.1 Avoid conflict between personal interests, or the interests of any associated company or person and their duty to their employer as may be laid down by the Council;
- 2.2 Not make improper use of information obtained as an employee or disclose or allow to be disclosed, information confidential to their employer;
- 2.3 Seek to be a responsible employer or employee and be honest and trustworthy at all times;
- 2.4 Act openly, fairly and respectfully at all times, treating other employees, colleagues, customers and suppliers with equal respect, consideration and opportunity;
- 2.5 Aim to take every opportunity to improve their professional capability, knowledge and skills;
- 2.6 Accurately and completely account for and report in employer records all business dealings;
- 2.7 Not provide or accept money, gifts, entertainment, loans or any other benefit or preferential treatment from or to any existing or potential supplier or business associate, other than occasional gifts, entertainment or remuneration, which are provided as part of accepted business practice, provided this is not likely to conflict with any duty that is owed to their employer.



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In addition, where an employee of any Member Company holds a position of influence within an organization they should:

- 2.8 Provide, or encourage other employees to provide, suitable arrangements for the internal review of decisions, policies and actions where an employee raises concerns of unethical behaviour. (Employees should not be penalized for raising matters of ethical concern even if this results in a loss to the organization or a customer).
- 2.9 Incorporate, or encourage their employer to incorporate, ethical standards into the organisation's governance standards, including the development of an ethical code.

(This part of the Code will operate alongside any employer policies, guidance, work rules, contracts and conduct documents. Where this part of the Code sets higher standards, the Code should be followed.)

### **3. Relations with Regulators and the Law**

Member Companies and their employees must respect and abide by all Laws, Statutes, Regulations and Guidelines that affect their business and must:

- 3.1 Ensure they operate within the Law and within the spirit of the Law, at all times;
- 3.2 Ensure they deal with regulators in an open, transparent and co-operative manner and meet any requirements correctly made of them.

### **4. Relations with the community and the public**

Member companies and their employees should recognize the important wider role that they play as professionals and should:-

- 4.1 Seek to advance the reputation of financial services, financial planning, insurance and associated trades through their own conduct;
- 4.2 Operate in a way that respects environment concerns and issues;
- 4.3 Act in a socially responsible manner within the countries and societies in which they operate;
- 4.4 Strive to be trusted individuals and fulfill their responsibilities to the societies and communities in which they operate professionally.

### **5. Relations with the LIIA**

Member companies receive various benefits as LIIA members but they also have responsibilities to the LIIA and its members. They should:

- 5.1 Act at all times according to the rules of the LIIA (including this Code of Ethics and Conduct);
- 5.2 Ensure a transparent relationship with the LIIA based on trust, respect, responsibility and integrity;
- 5.3 Have pride in their status as LIIA members and in any qualifications they hold;
- 5.4 Ensure they do not make improper use of information or disclose, or allow to be disclosed, information confidential to the LIIA;
- 5.5 Aim to seek opportunities to support the work of the LIIA and to promote its values to others, especially industry bodies, employers and prospective members;
- 5.6 Aim to seek opportunities to support LIIA activities;
- 5.7 Demonstrate to others the value of professional qualifications and



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- continuing professional development;
- 5.8 Treat other LIIA officers, other members and LIIA employees with the same respect they would wish to be given;
- 5.9 Ensure that their membership of the LIIA is not publicized in anyway, that might suggest that they hold a professional qualification which they are not entitled to;
- 5.10 Ensure that any conduct, promotion or public announcement with which a member, their name or qualification are connected does not bring the LIIA, another member or their profession into disrepute;
- 5.11 Advise the LIIA Council through the Secretariat of any Member Companies or their employees who are in breach of its rules or this Code, and advise the LIIA of anyone wrongly representing themselves as a member;
- 5.12 Aim to ensure the expected standard of technical competence is maintained and that they remain informed of current developments (to ensure they remain competent to carry out their role) by undertaking appropriate professional development;
- 5.13 Breach of this Corporate Code of Ethics will be regarded as a serious matter and any Member Company must report to the Council of any breach. The Council will discuss any such breach at the next Council Meeting unless a special meeting is considered necessary and if deemed necessary thereafter refer to the Director-General or other appropriate official of the Labuan Offshore Financial Services Authority.