

TREASURY, RISK  
AND FINANCE  
PROFESSIONALS

ACT

# THE ETHICAL CODE

THE ASSOCIATION OF CORPORATE TREASURERS

The Association of Corporate Treasurers (ACT) is the leading professional body for international treasury providing the widest scope of benchmark qualifications for those working in treasury, risk and corporate finance. We define standards, promote best practice and support continuing professional development. We are the voice of corporate treasury representing the interests of our members.

ACT provides a wide range of professional development and networking opportunities centred around:

- professional qualifications and training courses
- conferences, briefings and thought-leadership events
- publications, technical updates, guidance and dialogue.

1. This Code applies to:
  - (a) All members of the Association of Corporate Treasurers (hereinafter referred to as "ACT"), as defined in Article 2.6 of the ACT's Articles of Association, namely:
    - (i) Associate Members;
    - (ii) Members;
    - (iii) Honorary Fellows;
    - (iv) Fellows; and
    - (v) Corporate Members;
  - (b) Duly appointed representatives of Corporate Members;
  - (c) Students;
  - (d) Faculty Members; and
  - (e) International Affiliates.
2. For the purposes of this Code any reference to a 'member' includes all persons and bodies corporate to whom this Code applies, as described at paragraph 1 above.
3. This Code sets down principles, which should be followed by all members of the ACT. In the event a member contravenes the Code, a complaint may be made against him under the ACT's Disciplinary Rules and he may become liable to disciplinary action in accordance with those Rules.
4. This Code provides a framework for the conduct of all treasury activities. The fundamental philosophy behind this Code is the view that corporate treasurers should act in accordance with the highest professional standards.
5. The ACT has a significant proportion of members not engaged in corporate treasury management. There are, for example, members in accountancy, banking and other financial occupations, in financial management other than treasury, and in general management and consultancy. Some members are self-employed either on their own or in partnership. As the principal object of the ACT is to serve as the professional body for those engaged in treasury management, this Code deals primarily with the ethical issues of that occupation, but also covers issues which affect members in all occupations.
6. Throughout this Code masculine pronouns are intended to refer to members of either sex.

### **Fundamental principles**

7. The fundamental principles governing the conduct of a member of the ACT are:
  - (a) Integrity, which includes:
    - (i) avoiding conflict between the member's private self-interest and that of his employer or clients;
    - (ii) serving his employer, or, where applicable, his clients, honestly and in good faith;
    - (iii) acting honestly and in good faith towards all those outside his own organisation (in addition to those mentioned above) who deal with him;
    - (iv) fulfilling the duties of trust owed by reason of the actual appointment or appointments held by him; and
    - (v) upholding, in whatever way is appropriate to the member's occupation or appointment, the standards of integrity and fair dealing required for the honest conduct of business and for the effective functioning of the financial markets in which the member or his employer play a part.
  - (b) Independence in making professional judgements and in giving opinions and statements.
  - (c) Courtesy and consideration to all with whom he has contact in his professional work.
  - (d) Professional competence, which includes:

- (i) compliance with the technical and professional standards expected of him not only as a member of the ACT, but also by virtue of the seniority and responsibility of his position; and
  - (ii) carrying out his duties with reasonable care and skill, particularly where his failure to do so could adversely affect members of the public, persons, including bankers, dealing with his employer or, where applicable, clients.
- (e) Confidentiality, which includes refraining from disclosing or using for his own purpose or for some other improper purpose confidential information obtained in the course of his employment, in the performance of his duties or through his membership of the ACT (including, for the avoidance of doubt, the ACT's Directory of Members) or other information which he knows to be of a confidential nature.
  - (f) Compliance with the laws, regulations and conventions of the countries and markets in which he transacts business, including company law, tax law, exchange control regulations, and regulations to protect the interests of the public dealing in financial and similar markets; in the United Kingdom, for example, these would include the City Code on Take-Overs and Mergers, the Rules and Regulations of the Stock Exchange and Regulations issued under the Financial Services and Markets Act 2000.
  - (g) Compliance with the codes and rules of other professional bodies to which the member belongs.

### **Relationships and duties**

8. A member who acts as a treasurer or who manages the treasury function has duties, derived from the fundamental principles set out in paragraph 7, to a number of different classes of people.
  - (a) The first such class is his own employer. The nature of the treasurer's employment can breed conflicts of interest, especially where other parties place special trust in the integrity of the treasurer by virtue of his membership and professional standing. The member must avoid misleading those parties not only by mis-statements, but also by omitting material information. Where this type of conflict of interest causes difficulty, the member should seek legal advice or request guidance from the ACT.
  - (b) Another class of people to whom a duty is owed are members of the public or others likely to read and act on documents which the member prepares for use outside his own organisation. Examples are an offer document, a circular to shareholders or a disclosure letter.
  - (c) A third class is represented by bankers and others with whom a member deals on his employer's behalf in the course of his duties. Here too his professional duty is to honour the trust which such outside parties may reasonably place in him as a member and by virtue of his appointment. Whenever this causes conflicts of interest, he should ensure that the outside parties understand his position clearly, and, if he thinks it appropriate to do so, seek legal advice or guidance from the ACT.
  - (d) A fourth class is his fellow employees, and particularly his junior staff, who look to him as a person of professional integrity.
9. The duties described in paragraph 8 above shall be complied with, so far as applicable, by members working as treasury staff, or engaged in other financial activities.
10. Members who are employed but who are not engaged in the activities covered by paragraphs 8 or 9 above, will have analogous relationships. They too must conduct themselves in those relationships in accordance with the principles and duties contained in paragraphs 7 and 8 above.

11. Members in a professional practice must comply with:
  - (a) 'mutatis mutandis' the principles and duties set in paragraphs 7 and 8 above;
  - (b) the rules of any profession to which they belong; and
  - (c) the normal standards of a professional in practice, including courtesy towards competitors, care on behalf of their client's interests, safeguarding client's funds entrusted to them, and maintaining the respect in which the public holds their profession.
12. In addition, every member has a professional and collegiate relationship with his fellow members of the ACT.
13. It is the duty of every member not to conduct himself in a manner which may bring himself or the ACT into disrepute.

**Gifts, services and hospitality**

14. The treasurer's role as a buyer of financial and similar services can cause ethical dilemmas in a number of ways. They can arise if a member engaged in treasury management is offered hospitality, commissions or gifts or personal services either free or at less than market prices, or if he conducts personal business with a supplier of financial or other services who also conducts or seeks to conduct business with the member's employer. In such situations a member should comply with the following principles and rules:
  - (a) He must not accept gifts, services or hospitality in any way which could affect, or which might appear to affect, his judgement or loyalty or the proper performance of his duties.
  - (b) He must avoid any impairment of his integrity and independence of judgement, especially in the choice of parties to deal with on his employer's behalf.
  - (c) He must ensure that his employer is aware of and has agreed to any personal business that he may conduct with parties who also conduct or seek to conduct business with his employer, and disclose any benefits thereby received or to be received by him.
15. Members not engaged in treasury management should follow the same principles where analogous issues arise.

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# DISCIPLINARY RULES

THE ASSOCIATION OF CORPORATE TREASURERS

1. These Rules apply to:
  - (a) All members of the Association of Corporate Treasurers (hereinafter referred to as "ACT"), as defined in Article 2.6 of the ACT's Articles of Association (the "Articles"), namely:
    - (i) Associate Members;
    - (ii) Members;
    - (iii) Honorary Fellows;
    - (iv) Fellows; and
    - (v) Corporate Members.
  - (b) Duly appointed representatives of Corporate Members;
  - (c) Students;
  - (d) Faculty Members; and
  - (e) International Affiliates.
2. The definitions set out at Article 1 of the Articles apply equally to these Rules save that, for the purposes of these Rules, any reference to a 'member' includes all persons and bodies corporate to whom these Rules apply, as described at paragraph 1 above, and the word 'membership' shall be construed accordingly. Throughout these Rules masculine pronouns are intended to refer to members of either sex.

#### **Liability for disciplinary investigation**

3. A member is liable to disciplinary investigation if:
  - (a) it is alleged that he is guilty of a breach of the ACT's Ethical Code;
  - (b) he is convicted by any competent court on a criminal charge involving dishonesty, violence or indecency or is found by a competent court in any civil action to have acted fraudulently or dishonestly;
  - (c) he is adjudicated bankrupt or becomes unable to meet his business commitments; or
  - (d) he fails to comply with these Rules.

#### **Penalties**

4. Under these Rules a member may be:
  - (a) (i) excluded from membership or from serving as a corporate representative;
  - (ii) suspended from exercising rights of membership for a period of up to two years;
  - (iii) reprimanded;

A student may, in addition or instead, be:

- (b) (i) excluded from being a student and sitting any of the ACT's exams;
- (ii) suspended from being a student and sitting any of the ACT's exams for a period of up to two years.

#### **Complaints and Committee of Investigation**

5. Any complaint against a member in respect of any of the matters set out in paragraph 3 above or the occurrence of one of the events therein set out which becomes known to the ACT shall immediately be reported by the Chief Executive to the President who is required forthwith, following consultation with the Chief Executive, to appoint a Committee of Investigation.
6. The Committee of Investigation shall consist of either three or five members of the Council, at least one of whom shall be the Deputy President or the Immediate Past President. One of such persons (to be nominated by the President) shall act as Chairman. The Committee of Investigation shall have power to co-opt not more than two other persons (whether or not members of the ACT) in order to give specialist or technical advice and the Committee of

Investigation may obtain legal advice at any stage in its investigations. Not less than three members of the Committee of Investigation shall constitute a quorum.

7. The Committee of Investigation shall be charged with investigating the complaint, forming a view as to whether a prima facie case has been made out against the member, and making a decision whether in all the circumstances and in its discretion the case ought to go to a Disciplinary Committee.
8. The Committee of Investigation shall have the power to call for, and every member shall have a duty to furnish such information, documents, records or other evidence as the Committee deems necessary for its investigations subject to legal restrictions on matters of confidentiality or legal privilege. If the consent of any other person or party is required for the production of evidence, all persons including the member against whom a complaint has been made will use their best endeavours to obtain such consent.
9. The Committee of Investigation shall conduct its investigations in the strictest confidence. The member concerned shall be advised in writing by the Chairman of the Committee of Investigation of the complaint made against him within 28 days of the complaint being received by the ACT. Such notification to the member concerned shall include details of (i) the nature of the complaint made against him, including, where known, a short summary of the alleged facts upon which the complaint is based; and (ii) the relevant provisions of these Rules and/or the ACT's Ethical Code in respect of which it is alleged he is in breach. The Chairman of the Committee of Investigation may, in his discretion, disclose the identity of the complainant. However, the member concerned shall have no right to require disclosure of the identity of the complainant.
10. The member concerned shall be entitled to make representations in writing and submit relevant documents and / or written witness evidence to the Committee of Investigation, in reply to the complaint against him. In addition, the member concerned and the Chairman of the Committee of Investigation shall each have the right to call for a hearing regarding the complaint.
11. At any such oral hearing before the Committee of Investigation the member concerned shall be entitled to be heard in person and / or be represented by a barrister and / or a solicitor and / or any other person. The member concerned and / or his representative shall be entitled to call witnesses, cross-examine witnesses called against him and address the Committee of Investigation.
12. If the member concerned does not attend any such hearing when so requested by the Chairman of the Committee, then provided the Committee is satisfied that notice of the hearing was properly given to him in accordance with paragraph 50 below, the Committee may deal with the matter in the member's absence.
13. If the Committee of Investigation is satisfied, on a simple majority, that a prima facie case has been made out, and considers that in the light of all the circumstances the matter should be referred to a Disciplinary Committee, it shall formulate and refer a formal complaint to such Committee, together with (i) a summary of the facts upon which the complaint is based; and (ii) copies of any relevant written representations, documents or witness evidence in relation to the complaint; and (iii) a summary of any relevant oral representations or evidence in relation to the Complaint. In the case of an equality of votes, the Chairman of the Committee of Investigation shall have a second or casting vote.
14. In deciding whether to refer a formal complaint to a Disciplinary Committee, the Committee of Investigation shall be entitled to take into account the result of investigations into any previous complaints received by the ACT concerning the member. In the event the Committee of Investigation intends to take account of such matters in reaching its decision, the member concerned shall be notified of the relevant prior complaint(s) and shall be given an opportunity to make any representations he may choose in relation to that prior complaint.

## **Disciplinary Committee**

15. When the Committee of Investigation decides to refer a formal complaint to a Disciplinary Committee, it shall notify the Chief Executive and the President.
16. The Chief Executive shall forthwith notify the Chairman of the Advisory Board who will nominate a Disciplinary Committee.
17. The Disciplinary Committee so nominated shall consist of three or five persons (depending on the recommendation of the Chief Executive) from the Advisory Board. The Disciplinary Committee shall be chaired by the Chairman of the Advisory Board or, in his absence, such person as the nominated members of the Disciplinary Committee shall agree.
18. The Disciplinary Committee:
  - (a) shall not include any Council member, nor any person who has been a Council member in the previous 2 years, nor any person on the executive staff of the ACT nor any person from the Committee of Investigation in relation to the complaint;
  - (b) shall include at least one person who is not a member of the ACT.
19. Following receipt of a formal complaint from the Committee of Investigation, the Chairman of the Disciplinary Committee nominated as aforesaid shall, through the Chief Executive, in accordance with paragraph 50 below, (i) notify the member concerned of the nature of the complaint against him; (ii) provide the member concerned with a copy of the formal complaint and accompanying documents submitted to the Disciplinary Committee in accordance with paragraph 13 above; and (iii) give the member concerned at least 21 days' notice of the time and place of the hearing of the complaint by the Disciplinary Committee.
20. At any such oral hearing before the Disciplinary Committee the member concerned shall be entitled to be heard in person and/or be represented by a barrister and/or a solicitor and/or any other person. The member concerned and/or his representative shall be entitled to call witnesses, cross-examine witnesses called against him and address the Disciplinary Committee.
21. If the member fails to attend any such hearing and the Disciplinary Committee is satisfied that the notice of the hearing was properly served on him in accordance with paragraph 50 below, the Disciplinary Committee may proceed with the hearing in his absence.
22. At any such hearing the complaint shall be presented to the Disciplinary Committee by a person (whether or not a member of the Committee of Investigation or the ACT) nominated by the Committee of Investigation. Such person so nominated by the Committee of Investigation may be a barrister or solicitor. He shall put forward the complaint and the relevant evidence before the Disciplinary Committee and he may call witnesses and cross-examine witnesses called by the member concerned.
23. If the Disciplinary Committee decides, by a simple majority, that the complaint has been proved wholly or in part it shall make an order to that effect. Such an order may, in the Disciplinary Committee's discretion, include such of the penalties set out in paragraph 4 above as it considers appropriate, having regard to the member's status and the Disciplinary Committee's views as to the nature and seriousness of the complaint and such other circumstances as the Disciplinary Committee may consider relevant, except that in the case of any determination involving exclusion from membership under sub-paragraph 4(a)(i) the order shall take the form of a recommendation to the Council that the Council should pass a resolution to that effect in accordance with the Articles. If the Disciplinary Committee is of the opinion that the complaint is wholly unfounded, it shall make an order to that effect. In the case of an equality of votes, the Chairman of the Disciplinary Committee shall have a second or casting vote.
24. Any order of the Disciplinary Committee shall be notified to the member concerned, in accordance with paragraph 50, within 7 days of the date of the order.

25. An order of the Disciplinary Committee shall take effect from the date 21 days after the date of service on the member of the order of the Committee, save in the event that prior to such date the member lodges a valid Notice of Appeal. Notice of the order shall also be given to the Council.

### Appeals

26. The member may appeal an order of the Disciplinary Committee by serving a valid Notice of Appeal on the Chief Executive, in accordance with paragraphs 27 and 50 within 21 days of service of the order on the member concerned or such longer period as the Disciplinary Committee may allow.
27. The Notice of Appeal must:-
- (a) state the specific order being appealed;
  - (b) state the order being sought from the Appeal Committee;
  - (c) set out the ground(s) of appeal and the substantive injustice of allowing the order appealed against to stand. The grounds so stated shall not thereafter be amended except with the permission of the Appeal Committee;
  - (d) set out the facts upon which the appeal is based;
  - (e) attach a copy of every document and witness statement that was placed before the Disciplinary Committee in connection with the order appealed against;
  - (f) where appropriate, apply for permission to present any new evidence that was not placed before the Disciplinary Committee in accordance with paragraph 38 below;
  - (g) state the appellant's time estimate for the oral hearing of the appeal;
  - (h) be accompanied by an appeal fee of £500. The appeal fee shall not be repaid to the appellant unless the Appeal Committee allows the appeal.
28. The appeal shall be heard by an Appeal Committee, to be appointed by the Chief Executive as and when the need arises, consisting of three people which shall consist of (i) a lawyer as chairman (who shall be, or have been, a solicitor or barrister qualified in the United Kingdom with at least 10 years' experience in practice and who has had no prior involvement with the complaint), (ii) one Fellow of the ACT and (iii) one non-member of the ACT.
29. The Appeal Committee shall not include (i) any Council member, nor any person who has been a Council member in the previous 2 years, (ii) any person on the executive staff of the ACT, (iii) any member of the Committee of Investigation or Disciplinary Committee who has been concerned with the complaint which is the subject of appeal or any other person who has been so concerned.
30. The Council shall have power to pay remuneration and the reasonable expenses of the members of the Appeal Committee.
31. The Chairman of the Appeal Committee may, upon the application of the appellant or otherwise, make any order, give any direction or instruction considered necessary for the proper conduct of the appeal proceedings, including but not limited to the following:-
- (a) lengthening or shortening any time limit;
  - (b) adapting or dispensing with any procedural steps set out in these Rules;
  - (c) requiring a record to be made of the proceedings or any part of them;
  - (d) requesting any person to attend the hearing;
  - (e) holding a preliminary hearing; and
  - (f) adjourning a hearing for such period and upon such terms as he considers appropriate.

The decision of the Chairman of the Appeal Committee in respect of the matters set out above shall be final.

32. The Appeal Committee shall notify the member of the time and place of the appeal hearing giving at least 28 clear days' notice. The appeal proceedings shall be by way of a re-hearing of

the original complaint or of such part thereof as is the subject of appeal. The Appeal Committee may hear oral evidence from witnesses (as appropriate), subject to the restriction on introduction of new evidence referred to at paragraph 38. The Appeal Committee shall conduct the appeal hearing in such manner as it considers fit.

33. At the oral hearing before the Appeal Committee the member concerned shall be entitled to be heard in person and/or be represented by a barrister and/or a solicitor and/or any other person. The member concerned and/or his representative shall be entitled to call witnesses, cross-examine witnesses called against him and address the Appeal Committee, subject to the restriction on introduction of new evidence referred to at paragraph 38.
34. If the member does not attend the hearing fixed as aforesaid then, provided that the Appeal Committee is satisfied that notice of the hearing was served upon the member as prescribed in paragraph 50, the Appeal Committee may proceed to hear the appeal in the absence of the member.
35. At any such Appeal hearing the complaint may be presented to the Appeal Committee by a person (whether or not a member of the Committee of Investigation or the ACT) nominated by the Committee of Investigation. Such person so nominated by the Committee of Investigation may be a barrister or solicitor. He shall put forward the complaint and the relevant evidence before the Appeal Committee and may call witnesses and cross-examine witnesses called by the appellant.
36. The Appeal Committee may if it sees fit instruct a solicitor or counsel to act as legal advisor to the Appeal Committee on the hearing of any appeal.
37. The Appeal Committee may if it sees fit require a representative or representatives of the Disciplinary Committee to attend the hearing of any appeal to answer questions from the Appeal Committee.
38. On any appeal, the Appeal Committee shall hear new evidence that was not placed before the Disciplinary Committee only where the Appeal Committee has given permission for that new evidence to be presented. An application for permission to present new evidence must be made in writing in the Notice of Appeal, setting out the nature and the relevance of the new evidence and the reason(s) why it was not presented to the Disciplinary Committee at the original hearing. Save in exceptional circumstances, the Appeal Committee shall not grant permission to present new evidence unless it is satisfied with the reason(s) given as to why it was not, or could not have been presented to the Disciplinary Committee and is satisfied that such evidence is relevant. The Appeal Committee's decision as to whether permission shall be granted to present the new evidence shall be final.
39. On any appeal, the Appeal Committee may, by a simple majority, affirm, vary or rescind any order of the Disciplinary Committee or may substitute any other order or orders, on such terms and conditions if any as it thinks appropriate, except that in the case of any order involving exclusion from membership under sub-paragraph 4a(i) the order shall take the form of a recommendation to Council that it should pass a resolution to that effect in accordance with the Articles.
40. Any order of the Appeal Committee shall be notified to the member concerned in accordance with paragraph 50 within 14 days of the date of the order. Notice of the order should also be given to the Council. An order of the Appeal Committee shall take effect upon service of the order on the member in accordance with paragraph 50.
41. There shall be no appeal to any Court of Law or otherwise from an order or other decision of the Appeal Committee or, in the case of an order recommending exclusion from membership, from any resolution of Council affirming such order, except where the member would be entitled to do so under the general law.

## **Costs**

42. Any order made by the Disciplinary Committee under paragraph 23 above, including an order that no further action be taken, may direct that the member pay a sum to be specified by way of costs to the ACT. In the event that the Disciplinary Committee shall find that the complaint is unfounded, it may direct that the ACT pay a sum to be specified by way of costs to the member.
43. Any costs payable by the member shall be paid within 21 days of the date of the service of the order save that, if valid notice of appeal is given (in accordance with paragraphs 27 and 50), such costs shall not be payable until determination of the appeal and shall then be subject to any order made by the Appeal Committee. Any such costs payable by the ACT shall be paid within 21 days of the date of the order of the Disciplinary Committee.
44. The Appeal Committee may in its order cancel, reduce or increase any costs order made by the Disciplinary Committee, and may direct that the member pay to the ACT or the ACT pay to the member, as the case may be, a sum to be specified by way of costs of the appeal.
45. Any costs ordered by the Appeal Committee under paragraph 44, together with any costs due under paragraphs 42 and 43, varied, if such be the case, by the Appeal Committee, shall be paid to or by the ACT within 21 days of the date of service on the member of the order of the Appeal Committee.

## **Publication**

46. Whenever the Disciplinary Committee makes an order under paragraph 23 above it shall, at its discretion but subject to paragraph 49, cause its order to be published in such manner as it thinks fit, provided that if the Disciplinary Committee has ordered that no further action be taken on the complaint and/or that the complaint is unfounded, the order shall not be published unless the member so requests.
47. The Appeal Committee shall cause any order made by it to be published as soon as practicable in such a manner as it thinks fit, provided that if the Appeal Committee has ordered that no further action be taken on the complaint and/or that the complaint is unfounded, the order shall not be published unless the member so requests.
48. Unless the Disciplinary Committee, or as the case may be, the Appeal Committee in its absolute discretion otherwise directs, any such publication shall state the name of the member and the order or orders made against him, but need not include the name of any other person concerned in the complaint or appeal.
49. No publication under paragraph 46 shall be made until after the expiry of the appeal period referred to in paragraph 26 above and in the event that valid notice of appeal is given (in accordance with paragraphs 27 and 50) then, unless the appeal is abandoned, no publication under paragraph 46 shall take place but publication shall be under paragraph 47.

## **Notices**

50. Any notice or order required or authorised to be given or served under these Disciplinary Rules shall be given or served by pre-paid letter sent in the case of the ACT to the Chief Executive at the registered office for the time being of the ACT and in the case of a member to his last known address. Any notice or order so given or served shall be deemed to have been given or served 48 hours after it has been posted.

## **Resigning/Former Members**

51. As provided in article 12.1 of the ACT's Articles, the Council is not obliged to accept the resignation of a member in respect of whom a complaint has been referred to the Council or any committee appointed by it under these Rules until such complaint has been finally resolved in accordance with these Rules.

52. Former members of the ACT remain liable to disciplinary action in accordance with these Rules (notwithstanding the cessation of their membership), to the extent that the relevant matters complained of occurred at a time when they were a member of the ACT.

ACT  
51 Moorgate  
London EC2R 6BH, UK  
Telephone: 020 7847 2540  
Fax: 020 7374 8744  
Website: <http://www.treasurers.org>

*The Association of Corporate Treasurers is a company limited by guarantee in England under No. 1445322 at the above address*