



CODE OF ETHICS AND CONDUCT

**FOR THE MEMBERS OF
GHANA ASSOCIATION OF SAVINGS
AND LOANS COMPANIES
(GHASALC)**

December 2021

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PREAMBLE

This document serves as the Code of Ethics and Conduct (referred to as the "Code") for the Members of Ghana Association of Savings and Loans Companies operating in Ghana. This Code is applicable to GHASALC members only and they shall ensure that the principles of this Code are put into practice at all times.

GHASALC members shall also be required to submit to GHASALC, Statements of Code of Conduct of their respective institutions, and at basic shall conform to this Code of Ethics and Conduct.

Notwithstanding the provisions provided in this Code, all GHASALC members are obliged to follow all regulatory requirements, norms and laws of the land laid down by the regulators and the government in both letter and spirit. GHASALC members are urged to follow the Code of Ethics and Conduct in letter and spirit and to ensure client protection in the Savings and Loans sector.

Any issues of non-compliance by GHASALC members will be dealt with as per the norms laid-down under the GHASALC Constitution and Byelaws as well as in this Code.

CODE OF ETHICS AND CONDUCT

1. INTEGRITY & ETHICAL BEHAVIOR

- 1.1 GHASALC members must design appropriate policies and operating guidelines to treat clients and employees with fairness and dignity.
- 1.2 GHASALC members must conduct their business by means of fair competition and not seek competitive advantages through illegal or unethical practices.
- 1.3 GHASALC members must ensure that all advertising and promotional materials are fair and reasonable, do not contain misleading information and comply with all relevant legislation, codes and rules.

2. TRANSPARENCY

- 2.1 GHASALC Members must disclose all terms and conditions to clients / potential clients for all products and services offered. Disclosure must be made prior to signing any contract for the purchase of any product /service.
- 2.2 GHASALC Members must display/communicate the terms and conditions of products clearly in a language understandable by the clients.

2.3 **Transparency for Credit Products:**

GHASALC Members must disclose the following and shall adhere to terms of the “Borrowers and Lenders Act, 2020 (Act 1052)” in credit administration including but not limited to the following:

- 2.3.1** Rate of interest on loans expressed in Annual Percentage Rate (APR).
- 2.3.2** Information on variation, if any, on the interest rate during the loan service period.
- 2.3.3** Loan Repayment Schedule with break-up details – principal, interest and other fees.
- 2.3.4** Loan period.
- 2.3.5** Processing fee.
- 2.3.6** Security or any other deposit.
- 2.3.7** Other direct or indirect charges / fees.
- 2.3.8** Applicable fees in the event of voluntary foreclosure of loan by client and advance repayment.
- 2.3.9** Default interest rate (penalty charges) should be in conformity to industrial practices.
- 2.3.10** Loan recovery procedure in the event of default by the borrower should be communicated to the borrower.

2.4 Transparency for Deposit Products:

GHASALC Members must disclose the following with respect to deposit products:

- 2.5.1** Interest rate per annum and frequency of interest calculation (i.e. daily/weekly/monthly/quarterly/half yearly/annually).
- 2.5.2** Maturity amount.
- 2.5.3** Fees and charges, if any.
- 2.5.4** Recourse available to depositors in the event of default by the Institution in returning the deposit back on time.
- 2.5** GHASALC Members must give signed receipt/acknowledgement for all deposits/remittance / repayment made by clients.

- 2.6** Fee on non-credit products/services will be collected only with prior declaration to and consent by clients.
- 2.7** GHASALC Members must ensure that once the terms of a transaction have been concluded with a client, it must not be cancelled, varied or amended without mutual agreement between the institution and the clients.

3. CLIENT PROTECTION

- 3.1** GHASALC Members and their agents deployed by them for whatever service shall ensure that they show mutual trust and respect in their dealings with clients and the general public.
- 3.2** GHASALC Members must and their agents shall not behave in a manner that is prejudiced, discriminatory or harassing. Members must institute policies against harassment to address issues of abusive, harassing or offensive conduct towards clients and other GHASALC Members or employees.
- 3.3** GHASALC Members must provide services to clients irrespective of gender, tribe, physical disability, political affiliation or religion.
- 3.4** GHASALC Members must conduct proper due diligence as per their internal credit policy to assess the need and repayment capacity of clients before making a loan to clients and must only make loan amount commensurate with the clients' ability to repay.
- 3.5** GHASALC Members who employ debt collection agencies to collect overdue amounts should have detailed guidelines or policies for the engagement of these agencies. Guidelines should include clauses pertaining to the following:

- 3.5.1** Confidentiality of client information.
- 3.5.2** Acceptable debt collection tactics that may not be construed as harassment by client.
- 3.5.3** Proper identification to ensure that customer is adequately informed of the nature of the relationship between the collection agency and the Institution.
- 3.6** GHASALC Members must remain accountable to clients for any complaints arising out of debt collection by third party agencies and should not disclaim responsibility for misconduct on the part of the debt collection agencies.
- 3.7** GHASALC Members must ensure that all client information is treated as confidential and adequately protected from unauthorized disclosure or misuse.
- 3.8** Compulsory bundling of products (making essential product, as perceived by clients, available for clients only under the condition that the other non-essential product is also bought by clients along with the essential product) to other products and services shall be avoided. Clients shall have a free choice to decide whether to buy such non-essential products from GHASALC members or any other provider in the market.
- 3.9** GHASALC members shall NOT engage in UNFAIR promotions/advertisements against member institutions.
- 3.10** Members must ensure full compliance to the Consumer Recourse Mechanism Guidelines for Financial Service Providers issued by the Bank of Ghana.

4. GOVERNANCE

- 4.1** Members must ensure compliance to the Corporate Governance Directive issued by the Bank of Ghana.
- 4.2** GHASALC members must incorporate a formal governance system that is transparent and professional into their institutions, and adopt best practices of corporate governance, ensuring fairness, integrity and transparency in board decisions.
- 4.3** The Boards of GHASALC members shall actively involve themselves in all policy formulations and other important decisions of their institutions. The boards shall supervise the performance of the executive management, and monitor financial and client protection performance on a regular basis.
- 4.4** GHASALC members shall document policy decisions of the board and institute operational guidelines, training and monitoring system for putting policies into practice.
- 4.5** GHASALC Members shall ensure that at least one-third of their board members are independent members.
- 4.6** GHASALC members shall ensure that members of Board of Directors are persons with good and sound reputation and with good understanding of the Savings and Loans sector.
- 4.7** GHASALC members shall institute capacity development programmes for all board members to make them gain working capacity for the tasks required of directors.

- 4.8** The board shall ensure that the executive management of their institutions submits summary of report on compliance to this Code of Ethics and Conduct and those adopted specifically at the institutional level, specifically indicating any deviations and reasons thereof, at the end of every financial year.
- 4.9** GHASALC members shall have robust monitoring, internal management and training system for financial sustainability and risk management in order to offer continued uninterrupted services to clients in an ethical and professional manner.
- 4.10** GHASALC members are encouraged to have experienced corporate communication and public relations team/mechanism to communicate with political, regulatory and government establishments on social mission and responsible finance practices of the Savings and Loans sector.
- 4.11** GHASALC members must ensure regular checks on client awareness and understanding of the key terms and conditions of the products/services offered/availed (as part of internal audit systems or through some other regular monitoring system).

5. CLIENT EDUCATION AND FINANCIAL LITERACY

- 5.1** GHASALC members must put in place appropriate mechanisms to raise customers' awareness on the product options on offering and rights and responsibilities with respect to financial transactions.
- 5.2** New clients must be informed of the member institutions' policies and procedures of relevance to the clients to help them understand their rights and responsibilities.

6. DATA SHARING

- 6.1** GHASALC members shall agree to participate in forums organized by GHASALC to share quantitative and qualitative information for the benefits of the industry and the clients.
- 6.2** Whenever a GHASALC member comes across Incidents of High (Loans) Default (IHD) among their clients, they shall inform fellow Members, as the case may be, so as to caution other members to be wary of further lending to clients in the affected geographical area / clients affected by such incidents.
- 6.3** GHASALC members shall institute appropriate Management Information Systems (MIS) to share accurately, transparently and consistently, the operational, financial and other key data and reports with regulatory, statutory bodies and other relevant institutions such as Bank of Ghana, Banks, GHASALC and GHASALC members among others.
- 6.4** Data to be shared with GHASALC shall be treated with high confidentiality.

- 6.5** Member Institutions shall ensure compliance with the Data Protection Act, 2012 (Act 843) as well as the Credit Reporting Act, 2007 (Act 726)

7. FEEDBACK /GRIEVANCE REDRESS MECHANISM

- 7.1** Members must ensure full compliance to the Consumer Recourse Mechanism Guidelines for Financial Service Providers issued by the Bank of Ghana.
- 7.2** GHASALC members must provide their clients respectively access to an independent feedback mechanism through which they can resolve disputes with the members or their agents as a means for improving on service delivery.
- 7.3** GHASALC Members shall set up toll free numbers and operate complaint register / complaint box and other techniques to enable the clients to report their grievance both at the offices from where they avail the service and at their Head Office.
- 7.4** GHASALC Members shall communicate with their customers through all promotional materials, product documents, passbooks, contract documents shared with clients, etc., the existence of, access (as item 7.2 above) to the grievance redressal mechanism.
- 7.5** GHASALC members shall ensure that the staff is well trained to handle client complaints at field, branch and head office levels as applicable.
- 7.6** GHASALC Members must provide customers who are not satisfied with the outcome of the suggested resolution to their complaint, the alternative, third-party solutions that could resolve to clients' satisfaction.

8. FAIR PRACTICES TOWARDS EMPLOYEES

- 8.1** GHASALC members must make employment decisions based on business requirements and merit, and in compliance with applicable employment law, including the labour law.
- 8.2** GHASALC members must maintain a safe workplace for their employees. Appropriate logistics should be provided for all employees in undertaking their work.
- 8.3** GHASALC members must ensure that all employees are paid at least the national minimum wage and that they fulfill their obligations as employers to the Ghana Revenue Authority (GRA) and the Pension Companies.
- 8.4** GHASALC members should ensure a transparent remuneration system that is conducive to implementing client protection best practices such as avoiding over indebtedness. For instance, staff incentives should not be exclusively linked to loan origination and volume of transaction, but also to portfolio quality/Client satisfaction.
- 8.5** GHASALC members shall desist from unhealthy 'poaching' of staff and clients from other GHASALC members. The recruitment or sourcing of clients shall follow proper and ethical processes.

9. DISCLOSURES

- 9.1** GHASALC members shall display their annual Audited Financial Statements in their business centres (including branches and head offices) halls and on their websites (where available) for the benefit of customers and the general public.

- 9.2** GHASALC members shall file their returns at the Ghana Revenue Authority and Registrar General's Department annually.
- 9.3** Members shall publish their Interest Rates at all banking halls for the information of customers and the general public.
- 9.4** GHASALC members shall report fraudulent activities of their employees to the association after same has been reported to the Bank of Ghana and the Ghana Police Service.

10. GHASALC MEMBER OBLIGATIONS TO THE ASSOCIATION

- 10.1** Uphold and defend the Association's constitution, this code, various forms of rules and other lawfully issued guidelines of the Association;
- 10.2** Fully pay membership subscription and other fees when due and in line with procedures that may be instituted from time to time;
- 10.3** Submit relevant data as may be required by the Association from time to time to aid the Association achieve its objectives
- 10.4** Participate in all programmes and meetings of the Association and hold high the image of the Association;
- 10.5** Comply with the provisions of this Code;
- 10.6** Comply with all laws, regulations and directives issued by the Bank of Ghana and the Republic from time to time;
- 10.7** Abstain from any action that may be detrimental to the interest of the Association and its Members.
- 10.8** Every member shall satisfactory perform all such duties as may be assigned by the Association's Board and the General Assembly from time to time.

11. BREACHES OF THE CODE OF ETHICS AND CONDUCT

11.1 Any lapse or a breach of the provisions stipulated in this Code by any member or employee of a Savings and Loans Company which is a Member of the Association would constitute a ground for disciplinary action to be taken.

11.2 Disciplinary Procedure

11.2.1 Any violations or actions contrary to the principles and spirit of this Code shall attract sanctions and shall be referred to the Ethics and Dispute Resolution Committee as established under Article 12.11.6 and 12.11.7 of the Constitution of the Association.

11.2.2 Any matter which is not dealt with explicitly in the constitution shall follow the following procedures;

11.3 Sanctions

- i. Investigation of the matter - To be completed within 10 working days, unless extended under the authority of the Executive Council or the Board of GHASALC, but any such extension shall not go beyond an additional ten working days, beyond which the extension must be approved by the Board.
- ii. Representation/Hearing at a meeting - The member in breach shall be invited to appear before the committee, that will be created in accordance with the Constitution of GHASALC, to defend itself against the alleged breach of this Code.
- iii. Documentation of proceedings- Detailed minutes of all interviews/proceedings shall be taken.

- iv. Report to General Meetings - The Committee shall compile a final report and make appropriate recommendations to the Board for onward submission to the General Meetings of the Members as may deem fit by the Board.

11.4 Sanctions

Generally, acts of omission or commission having regard to all circumstances would reasonably be regarded as dishonourable, unprofessional or disgraceful and shall attract a sanction. Sanctions may be applied depending on the seriousness of the breach.

Sanctions may be in the form of;

- i Warning
- ii Penalty payment
- iii Suspension
- iv Expulsion
- v Or any other sanction recommended by the Ethics and Dispute Resolution Committee.

11.4 Appeal

Members under disciplinary action may appeal against a sanction and present their petition to the Board. Upon receipt of appeal the Board shall convene to review and take a decision on the matter. The appeal process shall be completed within a period of no more than twenty working days.

The decision and recommendations shall be submitted to the General Meeting of the Members who shall treat same as final.

12. STRUCTURE OF ETHICS AND DISPUTE RESOLUTION COMMITTEE

In the pursuit of its mission, the Board of GHASALC shall establish an Ethics and Dispute Resolution Committee to develop, issue and administer high ethical and professional standards for members of the Association as contained in Article 12.11.6 and 12.11.7 of the Association's Constitution.

12.1 Application of this Code of Ethics and Conduct

- 12.1.1** This Code establishes ethical requirements for GHASALC Members. A member of the Association may not apply less stringent standards than those stated in this Code.
- 12.1.2** This Code shall apply to
 - a. The General Assembly and All members of GHASALC;
 - b. The Board, committees or bodies established to perform general or specific tasks or duties under the Association.
- 12.1.3** This Code shall be subject to the provisions of the Banks and Specialized Deposit Taking Institutions Act, 2016 (Act 930) and any other regulatory or statutory standards required of Savings and Loans Companies in Ghana.

12.2 Constitution of the Ethics and Dispute Resolution Committee

The Committee shall be made up of 3 members which shall consist of:

- a. Two Managing Directors or Chief Executive Officers of member Savings and Loans Companies and who shall be persons of high moral and professional standing;
- b. The Independent Board Member, who shall chair the committee;
- c. The Executive Secretary of the Association shall serve as Secretary to the Committee.

12.3 Functions of the Ethics and Dispute Resolution Committee

The Committee shall perform the following functions:

- a. Ensuring adherence to ethics and professional standards by the Association Members;
- b. Investigating complaints, seeking out facts, and reporting and making recommendations to the Association on matters of unethical practices by, between or among members;
- c. Handling complaints against a member from the general public; and
- d. Such other functions that may be assigned to it by the General Assembly and/or the Board, from time to time.

12.4 Qualifications of a member of the Ethics Committee

A person does not qualify to be appointed as a member of the Ethics Committee who;

- a. has been convicted of a felony or an offence involving dishonesty;
- b. is adjudged to be a person of unsound mind;
- c. has been found guilty of a breach of this Code in the preceding five years

13. ADOPTION OF THE CODE

The following member Companies of the Ghana Association of Savings and Loans Companies adopt and give themselves to this Code of Ethics and Conduct:

NO.	NAME OF INSTITUTION	NAME OF MD/CEO/REPRESENTATIVE
1	ABii National Nana	Yaw Okyere-Aduachie
2	Adehyeman	Joe Emmim
3	Advans Ghana	Olivier Bailly-Bechet
4	Asa	Mohammed Aourongjeb
5	Bayport	Akwasi Aboagye
6	Best Point	Fred Sarfo-Kantanka (Dr.)
7	Bond	George Ofosuhene
8	Direct	Ben Adu-Owusu
9	Equity	Isaac Kweku Arthur
10	Golden Link	Kwaku Duah Berchie
11	Golden Pride	Johnson Boadi Asamoah
12	Izwe	Raymond Bismarck

NO.	NAME OF INSTITUTION	NAME OF MD/CEO/REPRESENTATIVE
13	Jins	Yusif Abubakari
14	Letshego	Arnold Parker
15	Multi Credit	Stephen Boateng
16	Opportunity International	Kwame Owusu-Boateng
17	Pacific	Seth Owusu Brobbey
18	Pan-African	Emelia Atta-Fynn
19	Progress	Jonathan Cato
20	Services Integrity	Lydia Daddy
21	SIC Life	Amma Frimponmaa Dwumah
22	Sinapi Aba	Anthony Gyasi-Fosu
23	The Seed Funds	Albert Mmegwa
24	Utrak	Akosua Konadu Osafo

Dated: Wednesday, 8th December, 2021.

MEMBERS



Powered by





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