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Code of Conduct

1. Introduction

The Micro Lenders Association, in terms of its Constitution, has developed this Code of Conduct for its Members and oversees the implementation and enforcement thereof. All members of the MLA, ordinary and associate members, subscribe to and uphold the Code of Conduct, which forms part of its Constitution. This Code of Conduct applies as from [DATE] 2019 (the “Commencement Date”).

2. Objectives

The objectives of the Code of Conduct are to:

- 2.1. promote good micro lending practices by setting minimum standards of practice by Micro Lenders;
- 2.2. promote professionalism and integrity among Micro Lenders in their relations with each other, towards clients, the general public and the Regulator; and
- 2.3. prevent and eliminate harmful business practices in the micro lending industry.

3. Key Commitments

3.1. Members are bound by the following duties, to:

- 3.1.1. protect the interests of clients at all times;
- 3.1.2. operate with the care and skill as reasonably expected by a Micro Lender;
- 3.1.3. act with respect towards and honour the dignity of clients and colleagues; and
- 3.1.4. cooperate with the Regulator.

3.2. Members shall refrain from:

3.2.1. conducting any activities through any affiliate or related or third party entity which would not otherwise be permitted for Micro Lenders;

3.2.2. behaviour which could cause harm or lead to the disrepute of the micro lending industry, including the MLA and its Members.

4. **Non-Discrimination**

Members shall not discriminate against any client or potential client or third party on the following bases:

4.1. as provided for in article 10(1) of the Constitution of the Republic of Namibia, being: sex, race, colour, ethnic origin, religion, creed, or social or economic status, and

4.2. in addition to the above grounds: gender, political affiliation or age, in the provision of micro lending services.

5. **Micro Lending Best Practices**

Members shall employ best practices related to the micro lending industry.

6. **Training**

Members undertake to provide adequate training to their employees to ensure that they can adequately provide services related to a Micro Loan Transaction and implement the principles of the Code of Conduct.

7. **Records**

7.1. Members shall keep records of Micro Loan Transactions for a period of not less than 5 (five) years.

7.2. Members shall provide copies of a client's Micro Loan Transaction records upon their request in exchange for the payment of a fee for such copies.

7.3. Members shall provide copies of the Code of Conduct to clients or third parties upon their request in exchange for the payment of a fee for such copies.

8. **Disclosure**

Disclosure to Clients

Members undertake to make full disclosure to clients by:

- 8.1 using plain English in all communications;
- 8.2 explaining the limits of liability, exclusions, indemnities of a Micro Loan Transaction;
- 8.3 explaining the application of a 'cooling-off period' and the terms thereof;
- 8.4 disclosing fees and charges levied by the Member to the client;
- 8.5 disclosing rates of interest; and
- 8.6 notifying clients of any changes in interest, charges and fees.

Disclosure to MLA

8.7 Members shall report in writing to the MLA of any non-compliance of the Code of Conduct by any subscriber to the code or any illegally operating micro lenders.

9. Confidentiality

Members agree to treat all information provided by clients as private and confidential unless compelled to disclose such information:

- 9.1 by operation of law;
- 9.2 to protect the interest of Members (e.g. to prevent or address fraud);
- 9.3 if consent to disclose information has been obtained in writing by the client; and
- 9.4 to provide for collections of default or arrear accounts.

10. Disclosure of credit bureau information

Members undertake to provide credit performance information in accordance to the prevailing legislation.

11. Marketing and Advertising

Members shall ensure that all marketing and advertising is clear, not harmful and not misleading.

12. **Use of MLA Mark**

Only Members may use the insignia and marks of the MLA and in compliance with any terms and conditions set forth by the MLA.

13. **Complaints and Discipline**

13.1. Members shall deal directly and expeditiously with client complaints.

13.2. Insofar as client complaints are not dealt with satisfactorily by the Member, the complainant may lodge a complaint with the MLA in writing and provide, at minimum, the following information:

13.2.1. Name of the Member;

13.2.2. Name, address, contact details of the complainant;

13.2.3. Identify which section of the Code of Conduct has been breached; and

13.2.4. Description of the circumstances of the breach of the Code of Conduct. (the "Complaint")

13.3. The MLA shall forthwith provide a copy of the Complaint to the Member and thereafter the Member shall have ten days to reply to such complaint (the "Reply Period").

13.4. Following the Reply Period, the Conduct Committee shall conduct a review in terms of the Constitution and provide written reasons for its decision.

13.5. An appeal of the Conduct Committee can be lodged within 30 days of receipt of such decision by way of a written application to the Management Committee.

13.6. The Management Committee can hear or deny an appeal at its sole discretion without providing reasons therefor.

14. **Review and Amendment of Code of Conduct**

The MLA shall review the Code of Conduct and propose amendments to update the Code of Conduct to reflect any changes in the micro lending industry or in the Laws every three years, starting with the third year following the Commencement Date.

15. **Definitions**

- 15.1. “**Code**” or “**Code of Conduct**” means this Code of Conduct developed by the Micro Lenders Association and amended from time to time;
- 15.2. “**Conduct Committee**” means the committee referred to in Article 18 of the Constitution;
- 15.3. “**Constitution**” means the constitution of the Micro Lenders Association;
- 15.4. “**Laws**” means any statute, ordinance, treaty, decree, proclamation, by-law, regulation, delegated or subordinated legislation or other legislative measure, as well as the common law and any judgment, decision, order or rule of any court or tribunal with relevant jurisdiction, in each case having the force of law in the Republic of Namibia;
- 15.5. “**Management Committee**” means the committee referred to in Article 11 of the Constitution;
- 15.6. “**Members**” means a person admitted to membership of the MLA, including, depending on the context in each case, Representatives;
- 15.7. “**Micro Lender**” means a person whose business includes the carrying on of Micro Loan Transactions;
- 15.8. “**Micro Lenders Association**” or “**MLA**” means the voluntary association established under Article 2 of the Constitution;
- 15.9. “**Micro Loan Transaction**” means a transaction as defined in the prevailing legislation;
and
- 15.10. “**Regulator**” means the person appointed in terms of section 5 of the Namibia Financial Institutions Supervisory Authority Act, 2001, as the chief executive officer of the Namibia Financial Institutions Supervisory Authority or a person appointed as registrar by the Minister, subject to the provisions of the Public Service Act, 1995.