

# Market Conduct Policy

# Market Conduct Policy

---

## Policy Statement

The Bank is committed to continue uplifting our end-to-end service management to ensure fair market conduct. Therefore, the bank has established “Market Conduct Policy” with minimum standard (9 Pillars) in line with Bank of Thailand’s guidelines. This policy is applicable to the end-to-end process of delivering / offering products and services to all customer of the Bank, especially those who needs protection from the bank on the fair dealing basis. Market Conduct goes beyond compliance where regulatory requirements are a minimum standard by additionally ascertaining fairness, transparency, and satisfactory customer experience.

- **Pillar 1: Corporate culture and roles and responsibilities of Board of Directors and senior management**

Board of Directors and senior management are responsible for driving and supporting market conduct as the heart of corporate culture that includes role assignment and delegation to executives or working groups to ensure concrete practices and processes are in place. Moreover, the appointed top management is responsible to provide customers with fair market conduct and treatment in a concrete and effective way, to systemically and timely manage and control the same market conduct direction

- **Pillar 2: Product development and customer segmentation**

The Bank shall offer products that are appropriate to the needs, financial capability, and understandability of each category of the target customers, while those products are also appropriate to sales skills of the staff, operating systems as well as capability to control the sales quality and fair treatment of customers, while the customers are offered fair products, in respect of prices and conditions.

- **Pillar 3: Remuneration scheme**

## Market Conduct Policy

---

The Bank shall set out a remuneration scheme and punitive measures by giving top priority to quality of service, which apply to all levels of staff to promote fair market conduct. Market conduct principles must be considered when formulating compensation and incentive structure, as well as warning and disciplinary measures. Sales KPIs must not be too much on product-focused approach which could lead to poor sales quality and lack of responsibility to the customer (mis-selling). Sales staff should be able to focus on their efforts in selling the products in which they have expertise with no limitation on individual product sales targets

- **Pillar 4: Sales Process**

1. Preparation of Sales Process: The bank must ensure the readiness of sales process; completely and clearly define procedures in the sales procedures for products and channels. Sales processes do not interfere with customer privacy and the acquisition of information for the sales must be legally obtained and in accordance with the policy. In addition, the customers have the option for the bank not to contact them, hence, the bank must ensure that “Do not Call List” has been properly maintained within 24 hours of receipt. If not being able to process immediately, the bank must ensure that its completion within 7 days from the date of receipt.
2. Sales and Service Process: The bank must perform Know Your Customer (KYC) before offering products. The customers are offered products that they are interested in. When offering products to Vulnerable customers, the bank must be careful in dealing with them with adequate information and warning.

# Market Conduct Policy

---

- **Pillar 5: Communication and Training**

All levels of staff involved in providing service to customers are communicated so that they realize the importance of fair market conduct, as well as receive sufficient training so that they have knowledge to perform their duties, which will ensure fair market conduct and promote the actual implementation.

1. **Staff Communication:** Contents to be communicated to staff must be comprehensive, accurate, clear, practical and always up-to-date. Market conduct as well as responsibilities of each functional PTAs under each pillar must be part of the contents. Evaluation of training and communication must be performed to ensure feedback loop for ongoing improvement of communication. For example, mystery shopping shall be conducted and used as one of the tools to measure the success of communication and training.
2. **Training for sales staff:** Training to sales staff is to be conducted to close knowledge or skills gaps e.g. emphasis of conditions, limitations, cautions that may cause the customer to lose benefits, and customer rights, particularly for staff responsible for the elevated risk or complex products. Training content should at least cover correct product knowledge which corresponds to the information provided by product developer or product issuer, as well as comments or observations from the product selection process, such as which products are not suitable to certain groups of customers. Provide training on new products, especially complex one while ensuring staff fully and regularly attend the training. Those who do not attend training of certain products and/or do not pass the product knowledge test must not be allowed to sell or offer such product.

- **Pillar 6: Data Privacy**

The bank must have policy, operating procedures and operating systems to protect customer data for internal use. For disclosure of customer data to the other entities,

# Market Conduct Policy

---

the bank must seek customer's consent for data disclosure and must ensure the other entities have robust control over customer data.

- **Pillar 7: Problem and Complaint Handling**

The bank's problem and complaint handling focus on three areas:

1. Acceptance and management of customer problems and complaints – the Bank appoints a responsible function to establish standard process for handling customer complaints while ensuring independence of appointed function with adequate training in solving complaints. Customer problems and complaints must be fairly addressed, there shall be analysis of information to find the root cause taking into account the related 9 Pillars and a fair investigation process, considering all information and surrounding circumstances of each individual case, including all related contributing factors. Monitoring system is established to ensure that the issues are managed and considered according to the specified practices, conditions and timeframes. Assessment or testing of complaint solving quality should be conducted. In case of repeated problems or complaints, or the problems or complaints that may not frequently exist but may have a significant effect on the fair treatment of customers, the Bank must investigate root causes and/or extend the scope of examination to cease potential losses.
2. Resolution of customer problems - The Bank must have measures for remedy and compensate to the customers, while setting a standard for same type of incidents to ensure same treatment. Appropriate timeline of each fixing step should be set together with periodic update of progress to the customer
3. Prevention of repeated problems or complaints - All service issues and complaints through various channels must be recorded. Enquiries should also be recorded for further analysis for improvement of sales scripts and

## Market Conduct Policy

---

documents. The Bank is to identify PTA to perform root-cause analysis of service problems or complaints for further improvement. Complaint report must be prepared and reported to relevant committee and Business Units for assessment of risk and actions for improvement and prevention of repeated complaints.

- **Pillar 8: Three Lines of Defense**

The Bank must assign responsible functions to perform in accordance with the “3 lines of defense” concept and monitor and audit operations of every pillar in accordance with laws, regulatory requirements, and internal procedures regarding fair market conduct. All operating procedures and services relevant to 9 pillars must be assessed to identify potential risks and implement measures to monitor and control those risks.

- **Pillar 9: Operations and Business Continuity**

The bank must determine measures to manage customer service, including operating system, risk management and business continuity during both normal and crisis.

In addition, the bank is required to disclose:

- Data relating to find or accusation, as a result of non-compliance with market conduct regulations
- Quality of service information classified by product type and problem type