PROPER CONDUCT OF BANKING BUSINESS REGULATIONS

INTRODUCTION

A.   In August 1991 the Supervisor of Banks first published the regulations concerning the proper conduct of banking business, which were based on circulars that had been issued over the years. These regulations, which were promulgated after consultation with the advisory committee on matters concerning banking business, and sometimes also after discussions in other professional forums, reflect the position of the Supervisor of Banks with regard to the norms required for the proper conduct of banking business in various areas. Failure to adhere to these regulations constitutes a defect in the proper conduct of the business of a banking corporation. The Supervisor of Banks is entitled *inter alia* to demand that any such defect be rectified, in accordance with his authority under section 8A(a) of the Banking Ordinance, 1941.

B.   This collection should not be considered to be a complete and full codex, as it does not necessarily cover all that is required under the proper conduct of banking business, nor the relevant legislation. Occasionally, in accordance with domestic and international experience or as a result of legal revisions, the regulations are updated and new ones are added. The object of all this is solely to form the required rules of behavior in managing a banking corporation.

C.   This collection does not include circulars that include explanations and procedures concerning subjects covered by legislation [such as the Banking Ordinance, 1941, the Banking (Licensing) Law, 5741–1981, the Banking (Service to Customer) Law, 5741–1981, and the Checks Without Cover Law, 5741–1981] and by secondary legislation. The Supervisor of Banks has also issued two additional collections: 'Reporting to the Public,

Regulations,' and 'Regulations Concerning Reporting to the Supervisor of Banks.'

D.   It is hereby clarified that the terms in this collection shall be understood in accordance with their meaning in the Banking (Licensing) Law, 5741–1981, unless specified otherwise.

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Supervisor of Banks