

**CODE OF ETHICALS STANDARDS OF THE BANK ASSOCIATION OF SLOVENIA
FOR CONDUCTING THE PROCEDURE FOR OUT-OF-COURT RESOLUTION OF CONSUMER
DISPUTES**

The precepts of the law are these: To live honourably, not to injure another,
to give each his due.

Justinian, *Institutes*, Book 1, Title 1, Sec. 3

(Honeste vivere, alterum non laedere, suum cuique tribuere, iuris praecepta sunt.)

By way of this Code, the measures are adopted for enhancing the reputation and integrity of the Bank Association of Slovenia – Economic Interest Grouping, Ljubljana, as the dispute resolution body for out-of-court resolution of consumer disputes (hereinafter referred to as: the procedure for out-of-court resolution of consumer disputes) and of the mediator in a dispute and his/her deputy, who conducts the procedure for out-of-court resolution of consumer disputes, the way in which the mediator in a dispute is selected, and the rules regarding the prevention of conflicts of interest. The Code of Ethical Standards of the Bank Association of Slovenia is part of the Rules on the procedure for out-of-court resolution of consumer disputes at the Bank Association of Slovenia.

1. MEASURES FOR ENHANCING THE REPUTATION AND INTEGRITY OF THE BANK ASSOCIATION OF SLOVENIA – ECONOMIC INTEREST GROUPING, LJUBLJANA, AS THE DISPUTE RESOLUTION BODY FOR OUT-OF-COURT RESOLUTION OF CONSUMER DISPUTES AND OF THE MEDIATOR IN A DISPUTE

1.1 General

The Bank Association of Slovenia is an economic interest grouping with a long tradition, established by its member institutions for the purpose of, *inter alia*, promoting best business practice and enhancing business ethics. Since 2004, out-of-court settlement of consumer disputes has been available under the aegis of the Bank Association of Slovenia.

The Bank Association of Slovenia appoints as a mediator and a deputy mediator in a dispute a person of high reputation in the society, is trustworthy, possesses relevant qualities for conducting the procedure with due diligence and highest ethical standards and takes actions necessary to pre-empt potential conflicts of interest.

It shall be deemed that the mediator in a dispute lacks the necessary reputation if:

1. he/she has been convicted *res judicata* of a criminal offence and the sentence has not yet been removed from the criminal records; or
2. the criminal proceedings have been initiated against the mediator due to a criminal offence, which is prosecuted *ex officio* and for which the person may be sentenced to imprisonment of one year or longer.

All that in this Code applies to the mediator shall also apply to the deputy mediator in a dispute.

1.2 Confidentiality

A mediator in a dispute i.e. the deputy mediator shall maintain the confidentiality of all information obtained by the mediator in the mediation procedure or in connection with it, including the fact that the procedure will be conducted or is already being conducted, save for notifying the persons who must be informed in accordance with the rules for conducting mediation.

A mediator summoned as a witness shall not convey to the court or other authority any facts obtained in the course of the procedure for out-of-court resolution of consumer disputes or the appurtenant facts, unless required to do so by applicable law or agreed to by all the parties to mediation.

2. TERMS AND CONDITIONS OF THE MEDIATOR SELECTION PROCESS

2.1 Selection terms and conditions

In addition to being compliant with the requirements stipulated by the law governing out-of-court resolution of consumer disputes, the mediator in a dispute must be duly licensed to practice law (passed State Examination in Law) and must be an independent professional with broad theoretical and practical knowledge and experience gained in the area of banking and financial operations and law. The same requirements apply to the deputy mediator.

2.2 Selection process

The mediator in a dispute and his/her deputy shall be appointed by the director of the Bank Association of Slovenia.

Prior to the appointment of the mediator in a dispute and his/her deputy, the Bank Association of Slovenia shall circulate the proposal for the appointment of the mediator and the deputy mediator in a dispute to the consumer organisations entered into the register of consumer organisations maintained by the competent ministry inviting them to provide a non-binding opinion in writing. The purpose of obtaining such an opinion is to eliminate any candidates whose appointment might raise suspicion about their impartiality, independence and competence.

2.3 Education and training

The Bank Association of Slovenia makes attendance of seminars and other educational programmes organised by the Association's Training Centre available to the mediator and the deputy mediator.

3. RULES IN RELATION TO THE PREVENTION OF CONFLICTS OF INTEREST

3.1 Independence and impartiality

The mediator in a dispute shall act at all times during the mediation neutrally, independently and impartially in relation to the mediating parties and until the outcome of the mediation procedure. During the mediation procedure, the mediator in a dispute shall make reasonable efforts at all times to assist the mediating parties equally.

The mediator's i.e. the deputy mediator's independence in a dispute shall be ensured as follows:

- Their appointment is for a four-year term,
- They shall not be dismissed without a reasoned justification,

- They are not bound by instructions of the mediating parties or their authorised representatives or the Bank Association of Slovenia,
- Their remuneration does not depend on the outcome of a mediation case.

The mediator in a dispute shall receive a fixed monthly payment set out in a contract, irrespective of the number of cases and the outcome of a mediation case, whereas the deputy mediator shall receive a payment of the fixed amount monthly per mediation case, irrespective of its outcome.

If there are any circumstances that could affect or that give an appearance that they could affect the mediator's independence or cause conflict of interests, the mediator in a dispute shall disclose any such circumstances before the mediation procedure begins or proceeds to the mediating parties and the Bank Association of Slovenia, and propose to withdraw from the mediation.

A conflict of interests is a set of circumstances in which professional judgement or actions might be unduly influenced by financial or other personal motives (e.g. family relationship, business ties, being in a dispute with a party to the mediation procedure, etc.).

In the cases described above, the mediator in a dispute may commence or continue the mediation only if he/she is convinced that he/she is able to conduct the proceedings with full independence and neutrality and subject to the expressed agreement of the mediating parties made in writing.

3.2 Other measures serving to ensure responsibility vis-à-vis the mediating parties

The mediator in a dispute shall make reasonable efforts at the start of the mediation to ensure that the mediating parties understand the nature of the mediation process, the rules governing the process and his/her role in it.

When conducting the mediation the mediator shall make all reasonable efforts to conduct the proceedings as fast as practicable and to provide for a high professional level throughout the proceedings.

The mediator in a dispute shall strive at all times during the proceedings to achieve an agreement regarding the dispute between the consumer and the provider of financial services/trader.

Ljubljana, 16 June 2016

Dr France Arhar
Director