



## Banking Code of Practice 2019



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## 1. Banking Code of Practice Obligations - Overarching Policy

In this policy, “we”, “us” and “our” refers to Atlas Equipment Finance Pty Ltd.

### Purpose/Objectives

This policy sets out how we manage our obligations to the banks who have subscribed to the Australian Bankers’ Association *Banking Code of Practice* (the Code)

### Scope/Application

This policy applies to all brokers and support staff involved in assisting client source finance, consumer and commercial

### Definitions

**Banking Code of Practice** (the Code) means the Australian Bankers Association Banking Code of Practice, as current at any point in time

**Breach** means any non-compliance with the law and our policies and procedures

**Broker** means any business and its staff established to assist clients source finance from a range of finance providers – it includes consumer finance brokers who hold an Australian Credit Licence

**Complaint** means any expression of dissatisfaction made to or about an organization, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.

### Policy Statements

We value our relationship with the banks to whom we introduce our clients and will support them in meeting their obligations under the Code

We require all our brokers and support staff to demonstrate strong ethical conduct through an honest, efficient and fair approach to both our clients and the banks with which we deal

We will support our clients in all aspects of the loan/lease application and contract formation process by providing clear, informative guidance on the processes involved

We will provide our clients with a loan/lease application guide, setting out the application process, the documentary requirements and associated timelines from application to loan settlement

We will use a range of media to inform the client about the application and contract formation processes these include but are not limited to hardcopy, email, website, social media.



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We will ensure we document each step of the application and contract formation process and retain all relevant records to demonstrate compliance with Code obligations as they impact on our services to our clients

We will train all brokers and support staff on the Code and each bank's specific requirements for complying with the obligations that impact on our services to our clients

Code training will be conducted for all new brokers and support on induction with refresher training annually and/or whenever the Code is updated in any way

We will conduct compliance reviews on our brokers' Code compliance on a half yearly basis.

Where we identify non-compliance with our Code compliance requirements, the broker will be subject to mentoring and/or additional training and/or close supervision for a period of time and/or other performance management strategies

We will terminate the services of any broker and/or support staff who indicates wilful non-compliance with these obligations

We require all brokers and support staff to act in good faith and to protect our, and the banks', interests by timely notification of any potential or actual issues and/or non-compliances with these policies

### Responsibility – Implementation

The Managing Director is responsible for ensuring all policies and procedures are implemented and ongoing compliance management.

### Responsibility – Monitoring and Reporting

The Compliance Manager is responsible for the ongoing monitoring and reporting to Senior Management on compliance with the Code and specific bank requirements.

The Board review the Managing Directors reports at least half yearly.

### Communication

This policy will be available through the intranet.



## 2. Application Guide - Disclosure Content

### Purpose/Objectives

This policy sets out how we disclose to our clients the various application stages and timelines associated with the loan/lease application process, in keeping with the banks' requirements

### Scope/Application

This policy applies to all brokers and support staff involved in assisting client source finance, consumer and commercial

### Policy Statements

We will provide all our clients with Application Guide (the Guide) that comprehensively exceeds all the disclosure and guidance the banks require to comply with the Code

Our Application Guide will cover:

- Application preparation - considerations
- Financing considerations
- Documentary requirements
- The application process
- Timelines
- Contract formation

The broker and/or support staff are to ensure every client has received a copy of the Guide before a loan/lease application is lodged with a bank

The provision of the Application Guide will be evidence we have met the banks' Code requirements



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### 3. Disclosure Methods

#### Purpose/Objectives

This policy sets out how, and when, we will provide our current, or prospect clients with our Application Guide which covers the various stages and timelines associated with the loan/lease application process, in keeping with the banks' requirements

#### Scope/Application

This policy applies to all brokers and support staff involved in assisting client source finance, consumer and commercial

#### Policy Statements

We will provide all clients with a hard, or email, copy of our Application Guide the first time we have contact with them

Our website will host an Application Guide page, providing the relevant information and timelines, based on the banks' standard approaches and associated processing timelines

We will enable anyone viewing our Application Guide online to download a copy

We will email a copy of the Application Guide to anyone who requests it

## 4. Training policy

### Purpose/Objectives

This policy sets out how, and when, we will train our brokers and support staff on the banks requirements for Code compliance

### Scope/Application

This policy applies to all managers involved in onboarding new brokers and support staff and in the management of continuing professional education (CPD)

### Policy Statements

As part of our onboarding training program, all new brokers and support staff will be trained on the Code and on the banks' specific requirements for brokers to manage some of those obligations

We will also require all brokers and support staff to undertake refresher training on the Code and the banks' specific requirements for brokers to manage some of those obligations both annually and whenever there is an amendment to the Code

We will also require any broker or support staff to undertake refresher training if any non-compliance with the banks' requirements is identified in their work

The training can be delivered through internal induction seminars, mentoring, online CPD training, internal bulletins and industry seminars, provided the training pathway is clear and consistent

We will accept comparable training provided by others in the sector, provided the scope and standard can be verified.

We will keep records of all training content using internally and require any third party training service provider to guarantee their training content is available for compliance purposes at any point in time, if required

We will keep records of individual broker and support staff attendance at, or participant in, induction and CPD training on the Code and the banks' requirements

Where a broker or support staff member does not comply with our reasonable request to undertake training and/or cannot demonstrate similar training has been undertaken in the required timeframe elsewhere, performance management action will be initiated

## 5. Record keeping

### Purpose/Objectives

This policy sets out the records that are to be retained to demonstrate our compliance with the banks' Code compliance requirements

### Scope/Application

This policy applies to all senior managers responsible for broker and support staff training and brokers and support staff engaged in introducing clients to banks for mortgage finance

### Policy Statements

Each broker and his/her support staff will ensure there is evidence of the Application Guide (Guide) on every client file, regardless of how the Guide was provided to the client

If the Guide is provided:

- by email, a copy of that email is to be retained in the client's file
- directly in hardcopy, a copy is to be uploaded to/place on the client's file

The Guide is to be dated, or versioned, to ensure it is clear what version was provided and in what timeframe

We will maintain records of all training for each broker and support person, covering both induction and ongoing CPD

We will also retain:

- copies of all internal training on the Code and the banks' requirements for a period of 3 years
- client file audit reports on compliance with the Code and the banks' requirement for a period of 3 years.



## 6. Non-compliance management

### Purpose/Objectives

This policy sets out how we will manage situations of non-compliance

### Scope/Application

This policy applies to all senior managers responsible for broker and support staff compliance with our policies and procedures

### Policy Statements

Where we identify non-compliance with our policies, we will discuss the issues with the broker and /or support staff concerned to identify why our policies were not complied with

We will require the broker and/or support staff to undertake additional training and/or mentoring and/or closer supervision to ensure the non-compliances are not repeated.

Where a broker and/or support staff is placed under close supervision, all their introduced deals will be subject to a senior manager's review prior to the application being submitted with a bank for a period of four (4) weeks.

Where a broker and/or support person deliberately, or repeatedly, fails to comply with our policies, we will terminate that person's services.

## Appendix A - Application Guide

### Application Guide

We are delighted to assist you source your financial requirements.

To make the process as easy as possible for you, we have prepared this guide to help you understand what is involved in the application and credit assessment processes, whether for commercial or consumer products.

Some key points for consideration are:

- Both the application and credit assessment processes can be complex and take quite some time
- By being well prepared with all documentary requirements before the application is lodged, the quicker the credit decisioning process will be
- The choice of bank will be dependent, in part, on your stated preferences and priorities
- The bank will only commence its assessment once all the required information is received
- The time a finance application assessment may take may change depending on individual circumstances
- There may be subsequent bank requests to provide clarification and additional information

**Please take some time to read through the considerations listed below. It will help you identify what further information and supporting documentation you need to obtain before your application is lodged and what you can expect after it is.**

**Please contact me with any queries you have.**

**Your broker: <insert name>**

**Contact details:**

**Mobile: <insert mobile>**

**Email: <insert email address>**

**Address: <insert address>**

**Date <insert date>**

| Application preparation   | Considerations & Information Required   |
|---|---|
| <ul style="list-style-type: none"> <li>Product choices</li> </ul>                                       | <ul style="list-style-type: none"> <li>Loan &amp; Mortgage – Consumer</li> <li>Chattel Mortgage – Commercial</li> <li>Construction Loan – multiple drawdowns</li> <li>Lease – Finance</li> <li>Lease – Operating</li> <li>Master Lease – Finance or Operating</li> <li>Overdraft</li> <li>Line of Credit</li> </ul> |
| <ul style="list-style-type: none"> <li>Financial position statement</li> </ul>                          | <ul style="list-style-type: none"> <li>Assets</li> <li>Current financial commitments</li> <li>Profit &amp; loss statements – past &amp; projected</li> <li>Tax returns – individuals</li> <li>PAYE statements - consumers</li> </ul>  |
| <ul style="list-style-type: none"> <li>Security on offer</li> </ul>                                     | <ul style="list-style-type: none"> <li>Financed goods – loans</li> <li>Other collateral e.g. property, equipment, shares etc</li> <li>Guarantees – company, directors or individuals</li> </ul>   |
| Financing considerations  |   |
| <ul style="list-style-type: none"> <li>Fees and charges</li> </ul>                                      | <ul style="list-style-type: none"> <li>Property searches</li> <li>Broker fees</li> <li>Agents' fees</li> <li>Legal fees</li> <li>Council/Government approvals</li> <li>Valuers</li> </ul>   |
| <ul style="list-style-type: none"> <li>GST implications</li> </ul>                                      | <ul style="list-style-type: none"> <li>Upfront or overterm?</li> </ul>  |
| <ul style="list-style-type: none"> <li>Ownership or lease</li> </ul>                                    | <ul style="list-style-type: none"> <li>Loan = ownership</li> <li>Lease = hire/rental*</li> </ul> <p>* There may be an option to buy at the end of the term but that is a separate contract and subject to negotiation</p>   |
| <ul style="list-style-type: none"> <li>Maintenance arrangements – purchased/leased equipment</li> </ul> | <ul style="list-style-type: none"> <li>Financed or separate?</li> </ul>   |

|   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Depreciation &amp; risks</li> </ul>                                    | <ul style="list-style-type: none"> <li>• Impact on asset value at end of contract – lease implications for residual</li> </ul>   |
| <b>Documentary requirements</b>   |  |
| <ul style="list-style-type: none"> <li>• Identification – company, trust and individuals</li> </ul>             | <ul style="list-style-type: none"> <li>• Company ACN/ABN</li> <li>• Trusts - Trust deed</li> <li>• Directors, trustees and individuals – personal ID</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Financials</li> </ul>  | <ul style="list-style-type: none"> <li>• Profit and loss statements</li> <li>• Tax returns</li> <li>• Bank statements</li> <li>• PAYE – year to date payslips</li> <li>• Business plan &amp; projections</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Other – dependent on purpose</li> </ul>                                | <ul style="list-style-type: none"> <li>• Plans - construction</li> <li>• Environmental approvals</li> <li>• Photographs</li> <li>• Valuations</li> </ul>   |
| <b>The application process</b>  |  |
| <ul style="list-style-type: none"> <li>• Completion of application with all supporting documentation</li> </ul> | <ul style="list-style-type: none"> <li>• Documentation must be complete before the application will be accepted and processed</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Submission to chosen lender</li> </ul>                                 | <ul style="list-style-type: none"> <li>• Bank preference - decision may be based on your key requirements e.g. bank reputation, interest rate, processing timelines etc</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Bank credit assessment processes</li> </ul>                            | <ul style="list-style-type: none"> <li>• Identification, verification and risk assessments of entities and individuals involved</li> <li>• Politically Exposed Persons &amp; Sanctions Checks</li> <li>• Credit Reporting Body Checks – corporations, directors and individuals</li> <li>• Trading history, cash flow and financials review and verification of information provided</li> <li>• Market indicators assessment</li> <li>• Environmental &amp; other approvals granted, where relevant</li> <li>• Bank credit criteria applied</li> </ul> |

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Credit decision</li> </ul>           | <ul style="list-style-type: none"> <li>• Approved</li> <li>• Conditioned – further negotiations required</li> <li>• Rejected</li> </ul>   |
| <b>Timelines</b>  |   |
| <ul style="list-style-type: none"> <li>• Standard processing times</li> </ul> | <ul style="list-style-type: none"> <li>• Average time = 3 business days for deals less than \$300,000. 7 business days for deals above \$300,000.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Possible delays</li> </ul>           | <ul style="list-style-type: none"> <li>• Incomplete documentation</li> <li>• Additional documentation required</li> <li>• Terms and conditions to be renegotiated e.g. finance amount, interest rate, term, repayments structure etc</li> <li>• Additional security required</li> <li>• Environmental and other approvals to be provided</li> </ul> |
| <b>Contract formation</b>   |   |
| <ul style="list-style-type: none"> <li>• Documents</li> </ul>                 | <ul style="list-style-type: none"> <li>• Contract – loan/lease</li> <li>• Guarantee – corporate or individual</li> <li>• Payment methodology approval e.g. direct debit</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Legal advice</li> </ul>              | <ul style="list-style-type: none"> <li>• Recommended</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Acceptance and signatures</li> </ul> | <ul style="list-style-type: none"> <li>• Authorised third party, directors or individuals</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Settlement date</li> </ul>           | <ul style="list-style-type: none"> <li>• By agreement</li> </ul>  |
|   |   |