

CODE OF CONDUCT CHILDFINANCE

PREAMBLE

THE UNDERSIGNED,

WHEREAS

- (1) The Universal Declaration of Human Rights, the United Nations proclaims that childhood is entitled to special care and assistance.
- (2) The Convention on the Rights of the Child obliges States Parties to undertake measures for the protection of economic rights of children.
- (3) ChildFinance empowers children to believe in themselves, be entrepreneurial, save and make sound financial decisions so that they will invest in their futures and escape poverty.
- (4) ChildFinance seeks to provide a link between children and financial systems by introducing children to basic financial principles through education as well as increasing their access to financial products and services, and, inversely, creating a greater sensitivity within the financial community towards child-friendly practices.
- (5) ChildFinance is built on the four pillars education, access, reach, and influence.
- (6) Child Friendly Banking promotes access to financial products and financial services for children, such as individual savings account and insurance products for children, no matter what their income or social standing, making children able to take ownership of their savings and their future.
- (7) There are numerous barriers in place that restrict children access to financial services and financial products. These barriers vary from legal barriers such as age restrictions, identification requirement, custodian requirement, to practical barriers as high fees and high minimum deposit requirements.
- (8) There are no national nor global regulations that ensure children free and easy access to financial services and financial products. In absence thereof, self-regulation by financial institutions is the first step towards elimination of barriers that restrict children's access to finance.
- (9) By complying with this Global Code of Conduct, financial institutions ensure that they will increase children's access to finance.
- (10) Financial institutions can adopt the Global Code of Conduct on a voluntary basis and provisions set out in this Global Code of Conduct are legally not binding.
- (11) Financial institutions that comply with Child Friendly Banking Standards are awarded a seal of approval meaning that the financial institution supports children's learning, access, and sustainable inclusion in financial sectors and economies.
- (12) Since it is necessary to review the effective functioning of the Global Code of Conduct, the undersigned should monitor its progress and should produce a report within three years. At the subsequent International ChildFinance Experts' Meeting, the Global Code of Conduct shall be amended if necessary.

HAVE ADOPTED THIS GLOBAL CODE OF CONDUCT:

Article 1 Definitions

For the purposes of this Code of Conduct, the following definitions shall apply:

- (a) a child means every human being below the age of eighteen years unless under the law applicable to the child, majority is attained earlier;
- (b) ChildFinance means the creation and strengthening of systems, structures and policies which will facilitate the process of children believing in themselves, thinking differently, being entrepreneurial, saving and making sound financial decisions so that they will invest in their futures;
- (c) ChildFriendly Banking means the practice that promotes access to financial products and financial services for children, such as individual savings account and insurance products for children;
- (d) Financial institution means banks and other account providers that offer specific financial products and financial services to children.

Article 2 General obligation to promoting childfinance

1. Financial institutions shall introduce children to basic financial principles through education in schools and other forums. Financial institutions shall also participate in annual promotional campaigns that endorse childfinance.
2. Financial institutions shall ensure that children have increasing access to financial products and financial services.
2. Financial institutions shall promote greater sensitivity within the financial community towards child-friendly practices.

Article 3 Access to financial products and financial services

1. Financial institutions shall ensure that there are no barriers in place that restrict children's access to financial products and financial services.
2. Financial institutions shall promote access to financial products and financial services for children no matter what their income or social standing is.
3. Financial institutions shall ensure that information in relation to financial products and financial services is available in such form and language that it is understandable for children.
4. Financial institutions shall ensure that children understand the basic implications of the products.

Article 4 Reachability of children

1. In order to reach as many children as possible, financial institutions shall make use of technology and / or media.
2. The financial institutions shall not charge the children for the use of the technology and / or media.

Article 5 ChildFriendly Banking Standards

1. In order for financial products and financial services to be qualified as childfriendly, these must comply with the following standards:

- (a) No minimum age requirements for a child to open a savings account;
- (b) No minimum deposit requirements for a child to open a savings account;.
- (c) No minimum withdrawal restrictions once the savings account is active;
- (d) No exclusionary maintenance rates or fees on child savings accounts;
- (e) Custodial safeguards that protect a child's ownership over their account;
- (f) A financial institution that is socially engaged and committed to a culture of savings;
- (g) A financial institution that is or wants to be engaged in child social and financial education programmes or related initiatives; and
- (h) A financial institution that commits to non-exclusivity in ensuring child friendly banking and that is open to network- or partnership-building, especially at the country level.

2. Financial institutions offering financial products and financial services that comply with the standards set out in section 2.1 are allowed to use the seal of approval on their website, information materials and other documents.

Article 6 Adopting the Global Code of Conduct

- 1. Financial institutions can adopt the Global Code of Conduct on a voluntary basis.
- 2. Provisions set out in this Global Code of Conduct are legally not binding for financial institutions.

Article 7 Review of the Global Code of Conduct

1. Within 3 years and no later than 1 July 2013, a report on the effectiveness of the Global Code of Conduct should be presented at the International ChildFinance Expert's Meeting, accompanied by a proposal for the revision of the Global Code of Conduct, if necessary.