

Preamble

Canada's chartered banks recognize the important role that small and medium-sized enterprises (SMEs) play in Canada's economy. The chartered banks also recognize that they have an important and unique role to play in fostering the growth of SMEs in Canada.

In the interest of promoting a healthy and effective relationship between SMEs and the banking community, the Canadian Bankers Association and its members have developed this model code of conduct which will serve as a minimum standard for bank dealings with SMEs. The key elements of this model code of conduct will be incorporated into individual bank codes. This model code of conduct and the individual bank codes will not limit the legal rights of any customer or bank.

Individual Bank Codes

ETpply Tw etw 018 (001)[(E)2.44486Tjei86Tj vr0il Td [(k Co)-2ou) cill a

- Banks recognize the need for open communications with their customers. Banks will outline the joint responsibilities that are part of the customer-bank relationship to help make sure that open communications takes place.

Accountability

- Each bank will identify a senior officer at the national level who is responsible for making sure the code is implemented and followed by bank employees.
- Managers and account managers of each bank will carry out the principles of its code.
- Each bank will file a copy of its code with the Financial Consumer Agency of Canada.

Credit Process

Applications for Credit

- Banks will make the following information available to each customer for the purposes of obtaining business credit:
- Directions on how to apply for credit
- An explanation of the requirements needed to obtain bank credit (such as collateral security)
- Guidelines on how to prepare a business plan
- An estimate of how long it will take before a credit decision will be made.

Credit Approval

- Each credit application will be judged on its own merits.
- When an application for credit is approved, the bank will inform the customer about the terms and conditions of the financing including the information and documentation needed by the bank both before and after

this information.

- Under normal circumstances, banks will provide their customers with a minimum of 15-calendar days' notice of any bank actions taken because of a change in the credit relationship.
- Each bank must inform its customer when changes are made to the terms, conditions, fees or lending margins that are specific to that customer's credit relationship with the bank.

Complaint Handling

-