



9 May 2005
Revised on 8 January 2007
Revised on 17 March 2018

BIS Compliance Charter

I. Introduction

This Charter describes the framework for managing compliance at the Bank for International Settlements (“BIS”), as approved by the Board of Directors (“the Board”). The BIS is committed to ensuring that the activities of the institution and its staff are conducted in accordance with the relevant regulations, policies, procedures, organisation standards and codes of conduct, adopted by the Bank, and the highest ethical standards (“compliance rules and standards”).

II. Responsibilities for compliance

The Board promotes a culture of integrity and compliance at the BIS. Compliance is an outcome of an organisation meeting its obligations and is made sustainable when embedded in the culture of the organisation and in the behaviour of people working for it.

The responsibilities for compliance aim at minimising the risk of financial loss, or loss to reputation, the Bank may suffer as a result of its failure to comply with compliance rules and standards (“compliance risk”).

The Staff Regulations play an essential part in compliance by requiring members of staff to maintain the highest standards of conduct both at and outside the Bank. This obligation brings with it a responsibility on the part of all staff to act honestly and with integrity, and to observe the letter and spirit of all internal rules, policies, procedures and ethical standards relevant to their activities. The scope and content of this responsibility is described in particular in the staff Code of Conduct and related policies and procedures.

Specific compliance responsibilities are allocated as follows:

- The Board is responsible for overseeing the management of compliance and compliance risk at the Bank.
- Management is responsible for managing compliance and compliance risk at the Bank, in particular ensuring that:
 - compliance rules and standards are clearly defined and followed;
 - the Chief Compliance Officer (“CCO”) is promptly informed of any compliance incidents; and
 - appropriate action is taken if compliance incidents occur.
- The CCO assists Management and contributes proactively to the identification and assessment of potential compliance risks. He/she performs a monitoring and reporting role.



- In particular, the CCO has a specific role in the monitoring of the operations of the Banking Department, pursuant to the applicable BIS Banking rules and policies.
- The CCO assists Management in guiding and educating staff on compliance rules and standards.
- Other control functions/specialist units monitor compliance with the relevant rules and standards that they have been respectively entrusted with.
- Line managers have primary responsibility for managing compliance and compliance risk within their respective business areas.

Internal Audit reviews the adequacy of controls established to ensure conformity with compliance rules and standards.

III. Compliance and Operational Risk Committee

The Compliance and Operational Risk Committee (“CORCO”), chaired by the Deputy General Manager and comprising senior representatives from across the Bank, shall provide a forum for considering important compliance matters. CORCO shall also ensure that compliance matters are coordinated within the Bank. The terms of reference for CORCO in what relates to compliance shall be approved by the General Manager on the advice of the Executive Committee.

IV. The Chief Compliance Officer (CCO) and Compliance

The CCO and Compliance staff (“Compliance”) assist Management in ensuring that all activities of the BIS and its staff are conducted in conformity with compliance rules and standards.

A. Specific responsibilities of Compliance

Compliance shall have the following specific responsibilities:

- assisting Management in identifying, documenting, and assessing the compliance risks associated with the Bank’s activities (Compliance Risk Assessment).
- in cooperation with relevant units, providing guidance and advice to Management and staff on compliance rules and standards.
- assisting Management in educating staff on compliance and ethics matters, and acting as a contact point within the Bank for compliance and ethics queries from staff members.
- assessing the appropriateness of the Bank’s compliance-related rules and standards, promptly following up any identified deficiencies and, where necessary, formulate proposals for amendments.
- establishing a documented risk-based compliance programme that clearly sets out the planned activities and how these activities will reduce compliance risk.
- performing sufficient monitoring and representative compliance testing.
- supporting Management in resolving compliance issues as they occur, and



- making enquiries into compliance incidents, and carrying out further investigations as appropriate.

The CCO shall report on a regular basis to the Deputy General Manager on compliance matters. The reports should include:

- the status of the compliance programme and the results of the compliance monitoring and testing that has taken place during the reporting period;
- any material compliance incidents during the reporting period and the actions taken to address these incidents;
- the status of outstanding action plans; and
- any changes in the Bank's compliance risk profile (this is normally done on a yearly basis).

In addition to this regular reporting, the CCO shall promptly inform the General Manager of any serious compliance incident of which he/she becomes aware.

B. Independence and accountability

Compliance is independent from the business activities of the Bank and is managed by the CCO, who reports directly to the Deputy General Manager. The CCO shall also submit an annual compliance report to the Audit Committee. The CCO shall meet with the Audit Committee at least once a year and shall have a right of direct access to the Audit Committee on compliance matters.

Compliance staff shall not be placed in a position where there is a possible conflict between their compliance responsibilities and any other responsibilities they may have. Staff members who have responsibilities other than solely for Compliance (eg staff with designated compliance responsibilities in the Bank's Representative Offices) report directly to the CCO on compliance matters.

C. Authority

To carry out their compliance responsibilities effectively, Compliance staff:

- (1) may enter all areas of the Bank and have access to any documents and records considered necessary for the performance of these responsibilities; and
- (2) shall have the right to require all members of Management and staff promptly to supply such information and explanations as may be needed.

The CCO shall have the right to attend as observer any internal meeting at the Bank as he/she deems appropriate in order to carry out his /her duties.

D. Standards

As regards their responsibilities, Compliance staff shall keep abreast of sound compliance practices and in particular take into account the recommendations of the Basel Committee on Banking Supervision and other relevant standard setters on compliance-related issues.



V. Relationship among Bank units

In addition to the specific collaboration through CORCO, Compliance and other relevant services and units, in particular the Legal Service, control functions and Internal Audit, shall make ongoing efforts to ensure good coordination and close and continued cooperation.

Compliance shall seek legal and interpretative advice from the Legal Service on compliance matters, in particular through regular bilateral meetings. As necessary, the Legal Service may arrange for consultation with external experts. The Legal Service retains primary responsibility for relations with public authorities and is involved in responding to external compliance-related inquiries.

To the same extent as other units of the Bank, the activities of Compliance are subject to periodic review by Internal Audit.

VI. Implementation

This Charter was approved by the Board of Directors on 9 May 2005 (Resolution no 5176), and revised on 8 January 2007 (Resolution no 5273). A revised version of this Charter has been approved by the Board (Resolution n° 5988), on a recommendation of the Audit Committee, on 17 March 2018. Management is authorised to establish more detailed policies, procedures and guidance consistent with the provisions of this Charter, as appropriate.