



## The Role of the CCMC - Fact Sheet

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This fact sheet provides information about the Code Compliance Monitoring Committee (the CCMC) and its new Mandate which came into operation on 1 February 2013. The role of the CCMC and the creation of its new Mandate are governed by the 2013 Code of Banking Practice (the 2013 Code) released by the Australian Bankers Association (the ABA) on 31 January 2013.

The CCMC Mandate replaces the “Constitution of the Code Compliance Monitoring Committee Association” which outlined the CCMC’s powers and functions under the 2004 Code of Banking Practice (the 2004 Code).

First published in 2003 by the ABA, the Code was revised in 2004 (the 2004 Code) and 2013 (the 2013 Code).

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## What is the CCMC?

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The CCMC is an independent Committee established under clause 36 of the 2013 Code. The 2013 Code is a voluntary code of conduct which sets standards of good banking practice for subscribing banks to follow when dealing with persons who are, or who may become, an individual or small business customer or a guarantor.

The Code specifies that the CCMC shall be comprised of 3 members:

- an Independent Chairperson of the CCMC;
- a representative of Code Subscribers; and
- a representative of individuals and small business.

The CCMC is supported by a Secretariat, led by the Chief Executive Officer, which carries out the administration and management of the CCMC's operations. The Financial Ombudsman Service (FOS) provides administrative and staffing services to the CCMC. The provision of those services may be reviewed by the FOS in consultation with the ABA and the CCMC.

Further information about the CCMC can be found [here](#).

## What is CCMC's role under the Code and Mandate?

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The CCMC has three main roles as set out in the 2013 Code and the CCMC Mandate:

- 1) to monitor Code subscribing banks compliance with the Code;
- 2) to investigate any allegation from any person, including the FOS, that a Code subscribing bank has breached the Code i.e. that a Code subscribing bank has not met their obligations under the Code; and
- 3) to monitor any other aspects of the Code that are referred to the CCMC by the ABA.

The CCMC engages with stakeholders to discuss the outcomes from its monitoring and investigation activities and to share its experience in Code compliance.

Further information regarding the role of the CCMC can be found [here](#).

## What is the Mandate?

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Together with the Code, the Mandate is a public document that sets out the role, functions and powers of the CCMC for monitoring subscribing banks' compliance with the Code, including undertaking investigations into allegations of a breach of the Code and own motion Inquiries.

The Mandate sets out terms which govern the functions of the CCMC in respect of:

- operating procedures;
- membership of the Committee;
- structure;
- compliance monitoring process;
- compliance investigation process;
- making determinations; and
- sanctioning Code subscribers.

The banking services and transactions that are covered by the Code and therefore fall under the Mandate of the CCMC include banking products and services provided to individuals and small business customers, such as:

- deposit and transaction accounts;
- personal and home loans;
- credit cards;
- debit cards;
- safe custody facilities;
- small business loans;
- investment loans; and
- lease financing.

Further information and a copy of the Mandate can be found [here](#).

## When does the Mandate take effect?

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On 1 February 2013 clause 36 of the 2013 Code (monitoring and sanctions) came into effect, meaning that the CCMC is now operating under its new Mandate.

The commencement date for the remaining obligations under the 2013 Code is 1 February 2014.

The 2013 Code will take effect when each bank adopts the 2013 Code. Existing Code subscribers must adopt the balance of the 2013 Code by 1 February 2014 and the 2004 Code will continue to apply to them until that time.

## What does the Mandate cover?

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The Mandate sets out the terms that govern the functions and operation of the CCMC. Specifically it includes:

- Clause 1.2. Functions of the CCMC;
- Clause 1.3. Principles that underpin the CCMC's operation;
- Clause 1.4. CCMC Operating Procedures;
- Clause 2.1. Composition of the CCMC;
- Clause 3. Organisational structure;
- Clause 4. Meeting of CCMC Members;
- Clause 4.1. Meetings and proceedings of CCMC;
- Clause 5. Compliance monitoring process;
- Clause 6. Institution of a compliance investigation;
- Clause 7. Compliance investigations approach;
- Clause 9. Process for concluding compliance investigations without a Determination;
- Clause 10. Process for concluding compliance investigations by way of Determination;
- Clause 11. Public naming of a Code Subscriber; and
- Clause 12. Collection of information by the CCMC.

Please see the full Mandate for more information.

A copy of the 2013 Code and Mandate (PDF) can be found [here](#).

## How will the Mandate improve the transparency of the CCMC's operations?

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The Mandate is a public document which is published on the websites of the ABA and the CCMC. It explains what stakeholders can expect from the CCMC regarding its functions and powers.

The Mandate also provides greater clarity and awareness of the CCMC's operations and shows how the CCMC is directly linked to the Code.

The Mandate can be viewed here on the ABA website [here](#).

## **What impact will the 2013 Code and Mandate have on the CCMC's investigations?**

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From 1 February 2013, the CCMC will conduct investigations in accordance with the Mandate. Our investigation of any new allegation raised after that date regarding a breach of the 2004 Code will also be handled pursuant to the Mandate.

The obligations of each bank under the 2004 Code continue until such time as it adopts the 2013 Code or 1 February 2014, whichever is sooner.

Please note that the CCMC may be unable to investigate allegations that the 2004 Code has been breached if the events giving rise to the allegations occurred more than 12 months before the allegations were raised with the CCMC.

## **What can I expect of the CCMC during the transition to the 2013 Code?**

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There will be significant consultation with key stakeholders regarding any changes to CCMC operating procedures that may be necessary whilst the CCMC transitions to the new Mandate. The CCMC will also provide support and guidance throughout the transition period to the 2013 Code, concerning how the CCMC will interpret key provisions in the 2013 Code and its Mandate.

To keep up to date with CCMC activities, you may wish to subscribe to the CCMC's website [here](#).

## **What happens to investigations that were started before the Mandate came into effect?**

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If you have already lodged a concern with the CCMC, from 1 February 2013 it will be handled in accordance with the investigative process and procedures outlined in the Mandate.

There may be some changes in how we deal with concerns raised with us after 1 February 2013. We will however consult with stakeholders regarding these changes.

## How does the CCMC investigate concerns about a possible breach of the Code?

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The CCMC's role is to monitor the compliance of subscribing banks with the obligations they commit to under the Code. This role includes the investigation of allegations made by any person that a particular bank or banks have breached the Code.

The CCMC provides the opportunity for people to make an allegation that a Code subscribing bank has breached the Code. The CCMC then independently investigates those allegations. Importantly, an investigation can only examine matters covered by the Code.

Further information about the CCMC's investigative role and process can be found [here](#)

The Code gives the CCMC the power to name a bank in connection with a breach of the Code if the bank:

- has been guilty of a serious or systemic breach;
- has not promptly remedied a breach as requested by the CCMC;
- has breached an undertaking given to the CCMC; or
- has not taken steps to prevent a breach recurring after being warned that it may be named by the CCMC.

In those circumstances, the bank and the grounds for naming the bank would be published on the CCMC's website and/or in the CCMC's annual report.

## How can I lodge a concern with the CCMC about a possible breach of the Code?

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You can lodge a concern with the CCMC by visiting the CCMC [website](#) and filling in the [online form](#). Alternatively, you can put your concern in writing and send it to our postal address below.

If you wish to discuss your concern before lodging it with CCMC or have any other queries please contact us at:

- E-mail: [info@codecompliance.org.au](mailto:info@codecompliance.org.au);
- Telephone: 1300 780 808 (this is a telephone service provided by the FOS);
- Fax: 03 9613 7481; or
- Postal address: PO Box 14240, Melbourne VIC 8001.

Please also see the 'Contact Us' page of the website [here](#).

Please note - the CCMC cannot determine claims for financial loss. Such claims should be referred to the Financial Ombudsman Service.

## What if I am a small business with a concern?

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A small business is defined under the Code as *a business having:*

*(a) less than 100 full time (or equivalent) people if the business is or includes the manufacture of goods; or*

*(b) in any other case, less than 20 full time (or equivalent) people;*

*unless the **banking service** is provided for use in connection with a business that does not meet the elements of (a) or (b) above.*

If your business falls within this definition, the Code may apply to the banking service provided by your bank. The banking services covered by the Code include:

- deposit and transaction accounts;
- personal and home loans;
- credit cards;
- debit cards;
- safe custody facilities;
- small business loans;
- investment loans; and
- lease financing.

If you have a concern about the provision of any of these services you may lodge it with the CCMC (see section above - *How can I lodge a concern with the CCMC about a possible breach of the Code?*)

## Where can I access information about the 2013 Code of Banking Practice and the CCMC Mandate?

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Further information about the 2013 Code and Mandate can be found on the ABA website [here](#).

You can also find information about the 2013 Code and Mandate on the CCMC website [here](#).