

Bank confidentiality

Rules and practices

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- I. Legislation
- II. Purpose
- III. Discussion
- IV. For consideration

I. Legislation

- **Act. no. 161/2002 on Financial Undertakings**
- *Confidentiality - Article 58*
 - The board of directors of a financial undertaking, managing directors, auditors, personnel and any persons undertaking tasks on behalf of the undertaking shall be bound by an obligation of confidentiality concerning any information of which they may become aware in the course of their duties concerning business dealings or private concerns of its customers, unless obliged by law to provide information. The obligation of confidentiality shall remain even after their employment ceases.
 - Anyone receiving information of the sort referred to in the first paragraph shall be bound by an obligation of confidentiality in the same manner as described therein. The party providing information shall remind the recipient of the obligation of confidentiality.
- *Exemptions – Article 58, 59 and 60*
 - *Legal obligation*
 - *Disclosure to a parent company do to risk management*
 - *Customer approval*

II. Purpose

- Private interest
 - Privacy of customers in general

- Public interest
 - Preserve public trust in financial institutions and the financial system as a whole

III. Discussion

- Persons bound by confidentiality
 - Any persons undertaking tasks on behalf of a financial undertaking
 - Confidentiality follows information?
 - Does it make a difference how information is received?
 - Who should decide whether a certain incident justifies breach of confidentiality?

- Does not hinder supervision or criminal investigation

- Breach of banking confidentiality

IV. For consideration

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- Should bank confidentiality be abolished or strengthened?