CHAPTER II
PROFESSIONAL STANDARDS

Article 4
Commercial integrity

Credit institutions shall refrain from performing or participating in any transactions or actions that jeopardise the regular operation, transparency and credibility of the securities market.

Credit institutions must ensure that their organisations have the technical and human resources necessary to guarantee services of high quality and efficiency.

Article 6
Obligations in intermediation operations and services

When performing any securities intermediation operations or services, credit institutions shall serve their customers diligently, loyally, impartially and with discretion and absolute respect for their interests. In particular they shall:

a) Carry out transactions on the best conditions offered by the market, without prejudice to strict compliance with the customer's instructions;
b) Carry out customers' orders to buy or sell securities as quickly as possible or, if the order is discretionary as to time, at the time that they consider the most appropriate;
c) Refrain from performing or encouraging their customers to perform repeated buying and selling operations of securities, when these operations are not justified and are intended solely or mainly to obtain fees or achieve any other purpose not in the client's interest;
d) Refrain from obtaining securities for themselves when customers have requested them at the same or a higher price;
e) Refrain from selling securities that they own instead of similar securities that they have been ordered by their customers to sell at the same or a lower price.

Article 7

Equal treatment

Credit institutions shall afford all their customers equal treatment and not discriminate between them other than as a result of their rights by virtue of the nature or time priority of their orders or as a result of any other situation provided for by applicable laws or regulations.

Article 8

Prevalence of customers' interests

Credit institutions shall give absolute priority to their customers' interests over their own interests, whatever their nature, and over the interests of the members of their corporate bodies, personnel, employees or third parties.

Article 9

Conflicts of interest between customers

Credit institutions shall seek to avoid conflicts of interest between their customers in the same or different securities intermediation activities. If said conflicts do occur, they shall solve them fairly without unduly favouring any of the customers in question.

Without prior written permission from their customers, credit institutions may not:

a) Act as counterparties in operations on their own account, except in cases allowed by law;
b) Subscribe on behalf of their customers to portfolios of securities that they manage, securities that they have issued or that are the subject of a public offer for sale or exchange that they have launched;
c) Subscribe or purchase on behalf of their customers, for the purposes mentioned in the preceding paragraph, any securities that are the subject of a public offer for subscription or sale whose placing they have guaranteed and underwritten for the purpose of indirect subscription or sale;
d) Perform any similar operations on their customers' account that may generate a conflict of interest with them.

Article 11

Internal organisation and operation

In order to avoid conflicts of interest between credit institutions and their customers or between customers of different intermediation activities performed by the same credit institution, these activities shall, as far as possible, be organised and managed separately by personnel assigned exclusively to each one without involvement in any other or from any other with which there might be a conflict of interest.

In any case, without prejudice to the internal regulations to be drafted pursuant to Article 662(3) of the Securities Market Code, credit institutions shall take the necessary steps in their organisation and operation to ensure that:

a) Any information that comes to their knowledge as a result of their duties, especially that which has not yet been made public and may therefore, due to its nature or content, influence the prices of any securities on or off the stock exchange, is limited to the departments or people directly involved in each specific type of activity or operation;
b) Said information is not used in operations in which the credit institutions themselves, their personnel or their directors, managers or supervisory officers are involved, or which their other customers or third parties are interested;
c) In-house mechanisms are set up for fair appreciation of customers' complaints and that their customers are informed of the existence of these mechanisms.

Article 12

Operations by credit institutions' personnel and members of corporate bodies

In any own-account trading of negotiable securities that they perform on any secondary market, the members of the corporate bodies or other people responsible for managing the credit institutions and their personnel shall comply scrupulously with the rules, procedures and standards applicable to customers.

The members of credit institutions' corporate bodies shall notify the credit institution to which they belong of all own-account trading of securities that they perform on any secondary market via intermediation of or outside the credit institution to which they belong.

The notifications identifying operations referred to in the preceding paragraph shall be made in writing within 15 days of their occurrence to the board of directors of the credit institution in question, which shall keep them for the legal period established for the retention of documentation.

Only with the authorisation of the board of directors of the credit institution in question may the personnel responsible for intermediation of securities carry out own-account trading of negotiable securities on any secondary market.

For the purposed of compliance with the preceding paragraph, each credit institution shall keep a record of the personnel that it considers specifically assigned to these activities.

The personnel referred to in the preceding paragraphs shall be subject to the rules set out in Article 12(2) and (3) with regard to own-account trading on any secondary market.

Article 14

Information and advertising

Credit institutions shall abide by strict principles of legality, veracity, objectivity, opportunity and clarity in all mandatory or optional information that they provide to the public, their customers or the authorities and in all advertising about themselves, their activities and operations and the conditions thereof.

Article 15

Information to customers

1. Credit institutions shall:

   a) Provide their customers with the clarifications and information that they need to make to reasoned decision on their intended investment or transaction and, in the case of operations that, due to their nature or conditions involve special risks, inform them of the existence and content of these risks and the financial consequences of their occurrence;
   b) Clearly inform their customers before performing the operations or providing services in question of any interest that they personally have in these operations or services, beyond those set out in Article 10;

c) In the case of securities portfolio management services, inform customers of the risks to which they are exposed as a result of their management, taking particular account of the goals of the investment, the degree of discretion granted to the intermediary and the specialised services that it is able to provide;

d) Promptly inform customers of the execution and results of the operations that they perform on their account or the impossibility or any special difficulties of said execution or any facts or circumstances of which they become aware that are not subject to professional confidentiality and may, if applicable, warrant the revision and alteration or withdrawal of the orders in question.

2. When complying with the provisions of the preceding paragraph, credit institutions shall take account not only of customers' degree of knowledge, experience and professionalism with regard to the securities market but also their financial situation and the effects that services or operations ordered may have on it, depending on their degree of risk.

Credit institutions shall maintain professional confidentiality on all securities operations performed and services provided for their customers and on facts or information on said customers or third parties that comes to their knowledge during their work. This duty of confidentiality shall only cease on receipt of written authorisation from the person to which it refers or in cases and on the terms permitted by law.

Article 17

Fees

Credit institutions shall publish their fees and any other remuneration that they charge or their limits, if they are variable or unrestricted. They shall also inform customers of the fees and other remuneration that they will be obliged to pay and any costs that they will have to bear for each operation or contract, and break them down clearly.

Article 18

Relations with the competent authorities

Credit institutions shall provide the supervisory authorities to which they are subject in their financial intermediation activity and the securities markets management bodies with full cooperation within legal limits, meet all requests that they make within their specific competences and refrain from creating obstacles to their duties.