



Code Compliance Monitoring Committee
Code of Banking Practice
PO Box 14240
Melbourne City Mail Centre
Melbourne VIC 8001
Ph: 1300 78 08 08 ~

Ms Jan McClelland
Reviewer
Code of Banking Practice Review
GPO Box 3419
Sydney
NSW 2001

29 July 2008

Dear Ms McClelland,

Review of the Code of Banking Practice

The Committee has carefully considered the draft of the Code of Banking Practice Review Issues paper.

The Committee is disappointed that many of the points raised in the Committee's submission are not considered in your issues paper. Where Committee views are referred to, their treatment does not reflect the weight of experience that supports them. Accordingly the Committee feels that there is no point in making any further substantial comment.

The Committee does however wish to draw your attention to the following points:

- outsourcing numerous sections of the Code to the ABA website for settlement by the ABA Consultative Forum, is, in our view, unworkable for a number of reasons, including that effective Code monitoring requires that Code obligations be certain in order that they may be relied on by both parties to the compact;

- Unless the Code Review consider and confirm the extent of the Code's application:
 - within banks;
 - to banks' agents; and
 - to bank subsidiaries,

it will have failed to deal with one of the major problems.

The Committee notes with concern that relatively few of the submissions listed in Appendix B of the Code Review Issues Paper are publicly available on the website and that a number of sources referred to in the issues paper remain undisclosed.

The Committee asks that this letter be posted on and made publicly accessible through the Code Review website. It will soon also be available on the Committee's website www.bankcodecompliance.org.

Yours Sincerely,

Tony Blunn AO
Chairman
Code Compliance Monitoring Committee