

FUNDAMENTAL CHARTER OF CHRISTIAN ETHICAL FINANCE

Preamble

The participants, Christians and non-Christians, animated by the same spirit and ethics based on a common spiritual heritage,

Considering, primarily, the texts of the Bible, the Social Doctrine of the Roman Catholic Church, its catechism and, in the alternative, in particular the statement "*An Interfaith Declaration: A Code of Ethics on International Business for Christians, Muslims, and Jews*"(1994); the guide "*Ethisch-nachhaltig investieren: Eine für Orientierungshilfe Finanzverantwortliche katholischer Einrichtungen in Deutschland*" (2015);

Considering that "Money must serve and not govern" (*Evangelii gaudium*, Nr. 58) and that the seeking of material well-being cannot adversely affect dignity inherent to the members of the human family;

Considering that the professionals from the banking, insurance, and financial sectors should consider, without delay, the human, ethical, social and ecological consequences of their activities;

Considering that it is essential that financial activities of any kind, are regulated, from now on, by a common Christian ethical frame, to encourage sustainable and virtuous development for the benefit of all, as required by the Church;

Convinced that this founding charter of Christian Finance can contribute to achieve this objective, by recalling the fundamental moral basics and practical ethical principles in order to assist the economic stakeholders, traders, investors and intermediaries in promoting common good, without prejudice for economic freedoms that provide the basis for development in the world;

Strongly agree on the following:

Article 1 – Definition of Christian Ethical Finance

Shall be identified to be part of the field of Christian Ethical Finance, all stakeholders, activities, products, behaviors, concepts and organizations in the banking, financial or insurance sectors, which comply with the Fundamental Principles as set out hereafter.

Article 2 – Christian Ethical Financial Principles

Article 2.1. – Fundamental Principles

Christian Ethical Finance complies with the Fundamental Principles, summarized as the following:

- (a) it aims for the general objectives of justice, mutual respect, sound management and honesty,
- (b) it is based on the virtues of charity, courage, prudence and temperance, and intends to promote the dignity of the human person and the common good and solidarity, by applying the principle of subsidiarity,
- (c) it promotes a sustainable and virtuous development based on the pursuing of one or more Positive Objectives and takes care to exclude even to denounce Negative Objectives.

Article 2.2. – Positive Objectives

Shall be considered as Positive Objectives having a virtuous object or effect, the following objectives:

- (a) pursuing a sustainable development that creates jobs and wealth compatible with the Fundamental Principles;
- (b) protecting human persons in the integrity of their lives, from conception to natural end;
- (c) promoting and developing every person and the whole person;
- (d) defending fundamental rights;
- (e) caring for the most vulnerable people by:
 - protecting children;
 - reintegrating people in difficulty;
 - supporting education, fighting against illiteracy;
 - assisting poor people;
 - supporting people with mental and physical disabilities;
- (f) protecting biodiversity, the environment and animals;
- (g) keeping up or developing spirituality and ethics.

Are presumed to be virtuous financial conducts, in particular: (i) sharing mechanisms for the benefit of one or more charitable or spiritual associations; (ii) support for Social Finance, including microfinance.

Article 2.3. – Negative Objectives

Are presumed to be Negative Objectives having a non-virtuous object or effect, the objectives incompatible with the Positives Objectives and Fundamental Principles.

Are considered to be non-virtuous economic conducts, in particular: (i) the criminal activities; (ii) the commodification of the human being and of its body, including the pornographic industry; (iii) the promotion of infidelity; (iv) the genetic manipulation of the human body for other purposes than therapeutic.

Are presumed to be non-virtuous financial conducts, in particular: (i) speculation causing financial instability or access limitation to the resources; (ii) excessive use of debt; (iii) automated mechanisms for decision making, especially those for gambling activities; (iv) seeking short-term profit when it violates the Fundamental Principles and Positives Objectives; (v) investments based on a purely accounting logic; (vi) investment durations and returns expectations disconnected with ecological, economic or social realities; (vii) remunerations disproportionate to the salaries of employees in the real economy; (viii) any form of unbalanced sharing of profits and risks; (ix) the hyper-complexity of legal arrangements; (x) tax fraud; (xi) the use of dummy corporations and legal mechanisms for the disempowerment of individuals; (xii) the excessive financing of multinationals to the detriment of small businesses; (xiii) the non-reporting of behaviors incompatible with the Fundamental Principles and Positive Objectives when the opportunity to denounce them occurs; (xiv) money laundering and any activity contributing to the financing of terrorism.

Article 3 – Christian Ethical Financial Actors

Article 3.1. – Compliance with the charter

The actors claiming to be part of Christian Ethical Finance fulfill their legal obligations as resulting from their national laws and professional regulations, including their relations with third parties, on a transactional or organizational level.

They undertake, however, to the extent possible with regard to their legislation, to comply with the principles and objectives of this charter. They respect, in all circumstances, the Fundamental Principles. They publicly mention their accession to this charter and the means implemented to comply with it.

In case of non-compliance with this charter, they shall take all the measures they consider useful for the exercise of their legal and moral responsibilities.

In their relations with third parties (public authorities, customers, suppliers, distributors, subcontractors, partners, intermediaries), they shall ensure compliance with this charter in accordance with their legislation, and without prejudice to the legitimate seeking of economic efficiency (liquidity, security, performance).

Article 3.2. – Staff management

The actors claiming to be part of Christian Ethical Finance shall ensure that their staff and managers do not adopt any behavior of any kind, as part of their professional activities, that is incompatible with the Fundamental Principles, without prejudice of their rights and freedoms, particularly as they result from their national legislation on labor law and religious freedom. They ensure freedom of conscience to their employees in accordance with their national legislation.

They invite their staff to perform their duties with dignity, integrity, humanity, loyalty, honour, selflessness, humility, delicacy, sobriety and courtesy.

They show, in respect of the thirds, competence, devotion, diligence and prudence.

Article 4 – Christian Ethical Financial Activities

The actors claiming to be part of Christian Ethical Finance propose concepts, products or services that pursues a sustainable and virtuous development.

Any concept, product or service is deemed to be virtuous if, without prejudice to the legitimate seeking of economic efficiency (liquidity, security, performance), it complies with the Fundamental Principles and follows one or more Positive Objectives.

The actors claiming to be part of Christian Ethical Finance adapt or add, where appropriate, other objectives or conducts to those listed in articles 2.2 and 2.3, in particular to integrate the new recommendations of the Church, or to take account of their cultural specificities or those of their clients.

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