

FPA Code of Ethics

Introduction

The Code of Ethics is the top layer of professional regulation.

It establishes the ethical foundation for the other FPA standards of professional conduct including Practice Standards and Rules of Professional Conduct. Under the FPA Constitution, the FPA's professional standards apply to all members.

Eight Principles of Code of Ethics

The eight principles in the Code of Ethics serve as minimum benchmarks for professional behaviour. Accordingly, the principles act as a point of reference for all stakeholders including members, users of financial planning services, regulators and government. The FPA, Australia's leading professional body for financial planning professionals, recognises and encourages other industry participants (e.g. non-members who provide financial planning services, licensees etc.) to adopt the principles as a reference to good ethical practice.

The principles are directly enforceable as members' obligations established in FPA Regulations. Peer professional standards established by the leading financial planning professional body will ultimately influence the interpretation of professional standards of practice by courts, tribunals and external dispute resolution schemes.

The principles were developed with the intention that they should sit comfortably and consistently with the many legal obligations that apply to Members in the practise of financial planning in Australia. However, the FPA recognises that legal obligations evolve, and from time to time Members may be required to consider their legal obligations in conjunction with compliance with these ethical principles. Compliance with the law is fundamental to the good reputation of the profession. Typically, legal obligations are imposed on practitioners not only under the Corporations Act 2001 and common law, but also through employment and other contractual arrangements with Australian Financial Services Licensees.

FPA Guidance may be issued in relation to the whole or any part of the Code of Professional Practice and may elaborate on the application of the Code of Ethics.

FPA Code of Ethics

Principle 1: Client First

PLACE THE CLIENT'S INTERESTS FIRST

Placing the client's interests first is a hallmark of professionalism, requiring the financial planner to act honestly and not place personal and/or employer gain or advantage before the client's interests.

Principle 2: Integrity

PROVIDE PROFESSIONAL SERVICES WITH INTEGRITY

Integrity requires honesty and candour in all professional matters. Financial planners are placed in positions of trust by clients, and the ultimate source of that trust is the financial planner's personal integrity. Allowance can be made for legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of one's principles. Integrity requires the financial planner to observe both the letter and the spirit of the Code of Ethics.

Principle 3: Objectivity

PROVIDE PROFESSIONAL SERVICES OBJECTIVELY

Objectivity requires intellectual honesty and impartiality. Regardless of the services delivered or the capacity in which a financial planner functions, objectivity requires financial planners to ensure the integrity of their work, manage conflicts and exercise sound professional judgment.

Principle 4: Fairness

BE FAIR AND REASONABLE IN ALL PROFESSIONAL RELATIONSHIPS. DISCLOSE AND MANAGE CONFLICTS OF INTEREST

Fairness requires providing clients what they are due, owed or should expect from a professional relationship, and includes honesty and disclosure of material conflicts of interest. It involves managing one's own feelings, prejudices and desires to achieve a proper balance of interests. Fairness is treating others in the same manner that you would want to be treated.

Principle 5: Professionalism

ACT IN A MANNER THAT DEMONSTRATES EXEMPLARY PROFESSIONAL CONDUCT

Professionalism requires behaving with dignity and showing respect and courtesy to clients, fellow professionals, and others in business-related activities, and complying with appropriate rules, regulations and professional requirements. Professionalism requires the financial planner, individually and in cooperation with peers, to enhance and maintain the profession's public image and its ability to serve the public interest.

Principle 6: Competence

MAINTAIN THE ABILITIES, SKILLS AND KNOWLEDGE NECESSARY TO PROVIDE PROFESSIONAL SERVICES COMPETENTLY

Competence requires attaining and maintaining an adequate level of knowledge, skills and abilities in the provision of professional services. Competence also includes the wisdom to recognise one's own limitations and when consultation with other professionals is appropriate or referral to other professionals is necessary. Competence requires the financial planner to make a continuing commitment to learning and professional improvement.

Principle 7: Confidentiality

PROTECT THE CONFIDENTIALITY OF ALL CLIENT INFORMATION

Confidentiality requires client information to be protected and maintained in such a manner that allows access only to those who are authorised. A relationship of trust and confidence with the client can only be built on the understanding that the client's information will not be disclosed inappropriately.

Principle 8: Diligence

PROVIDE PROFESSIONAL SERVICES DILIGENTLY

Diligence requires fulfilling professional commitments in a timely and thorough manner, and taking due care in planning, supervising and delivering professional services.