

## **FEIFA CODE OF CONDUCT**

One of FEIFA's stated objectives is to raise standards in the industry and it has become increasingly clear that a Code of Conduct is a very appropriate way of assisting this goal and making members and, in particular, prospective members, aware of the standards that are expected. The Code is detailed below under various headings and sections.

### **Mission Statement**

FEIFA's mission statement includes the aim of looking to provide a level of protection and assistance for consumers, creating further peace of mind to them, in their dealings with our members. Our member companies should therefore aim to ensure that the Federation is able to achieve this aim by always treating clients fairly and dealing with them in a professional manner.

### **Anti-Money Laundering**

All member companies must ensure that they meet the entire national and EU requirements with regards to anti-money laundering legislation and commitments. All relevant staff must be made aware of these requirements and provided with regular training updates (minimum frequency being annual). Such training can be transmitted electronically and should be provided by a suitable person and appropriately documented.

### **Capital Adequacy**

Member companies should ensure that they are aware of all national and EU requirements, where relevant, with regards to capital adequacy and should adhere to these at all times.

### **Complaints Process**

Member companies should have a formalised and stated complaints process, which should meet any national and EU requirements, where relevant. Ideally this process should be detailed in the Terms of Business supplied to clients prior to any business being transacted. At the very least it should be made easily and readily available to clients on request. The process should provide contact details, including an email address, for the client to initiate any complaint and information on the recourse that the client has should a complaint agreement with the company prove impossible.

### **Clients' Interests**

Operating in clients' best interests is a requirement for all FEIFA members. All advice should be given with each client's needs as the primary goal and the client's circumstances taken fully into account.

### **Conflicts of Interest**

Any conflict of interest should be made fully transparent as early as possible to all clients. One example of such a situation might be where the IFA or IFA company has partial or co-ownership of the company being recommended. If an adviser or an advisory company is not sure whether a conflict of interest exists they should generally disclose the relevant information to the client.

### **Data Protection**

Any and all relevant national and European requirements with regards to data protection must be adhered to and data protection policies and activities kept up-to-date. Client information should be treated with the utmost confidentiality and stored for the statutory period of time.

### **Professional Indemnity Insurance (PII)**

All members should meet their obligations under EU law/Directives or national requirements if based outside the EU. In either case a minimum level of cover in keeping with industry norms should be a minimum approach. The policy and cover should be current, relevant and appropriate to the range of business transacted by the member company. If any advice given by the member company falls outside of the coverage on its PII policy then the client should be informed of this fact before any transactions take place. In certain jurisdictions, publication of PII cover details is required on members' websites and thus this should also be adhered to.

### **Recruitment**

Members should never pro-actively directly contact or "poach" advisers or other staff from other FEIFA member companies. In fact, such poaching from any other IFA company in the same region should be avoided where possible. Acceptable recruitment strategies and processes should include requesting a copy of the resignation letter and past contract to ensure that an adviser is not contravening existing legal agreements. Members should make these requirements known, in advance, to any agencies or contractors acting on their behalf. Legal requirements and applicable laws should be adhered to at all times.

### **Regulation & Compliance**

Member companies should always act within the boundaries of their licensing limitations and should formally appoint at least one appropriately experienced and knowledgeable individual. This individual should oversee and accept responsibility for compliance matters and to ensure adherence to regulatory parameters. This individual should ideally be independent of the advisory practices being overseen, where possible, and definitely so if legal or regulatory requirements dictate this. If advice is provided to a client with regards to a non-regulated activity this should be made clear to that client, simply and ahead of any transactions taking place.

### **Tax & Legal Responsibilities**

Member companies should ensure that they meet and maintain all local and national liabilities and responsibilities in these regards and, to the best of their ability, that all staff (whether employed or contracted) also realise their need to do the same.