

FINANCIAL PLANNING STANDARDS BOARD IRELAND LIMITED

BYE LAW No 2

Code of Ethics and Professional Responsibility

Introduction

1. This Bye-Law is made by the Council of Financial Planning Standards Board Ireland Limited (the "Council" and "FPSB Ireland"), pursuant to article 32 of the articles of association of FPSB Ireland on 9th March 2011.
2. This Code of Ethics and Professional Responsibility (the "Code") has been adopted by FPSB Ireland to set out principles and rules that can reasonably be expected to be applied by all persons whom it has accredited to use the CFP[®], Certified Financial Planner and CFP flame logo trademarks (collectively, the "Marks"). In the Code, a person recognised and certified by FPSB Ireland to use the Marks is called a CFP professional. The Marks are owned by the Financial Planning Standards Board Ltd. ("FPSB") and FPSB Ireland is the sole organisation authorised by FPSB to make use of them in the Republic of Ireland.
3. FPSB Ireland, in determining who may be certified to make use of the Marks, requires CFP professionals to act in an ethical and professionally responsible manner becoming of the financial planning profession. The Council requires observance of the Code by all those it may certify to use the Marks, recognising that FPSB Ireland and all CFP professionals have an interest in compliance with the Code, individually and by the profession as a whole. Disciplinary proceedings may be taken where there are grounds for considering that there has been a failure by a CFP professional to comply with any applicable provisions of the Code.
4. The Code applies to CFP professionals actively involved in the practice of financial planning, in other areas of financial services, in industry, in related professions, in government, in education or in any other professional activity in which the Marks are used in the performance of their professional responsibilities. In addition, some principles, specifically Principle 1 and Principle 6, also apply more generally to the activities of CFP professionals even when acting outside the scope of their capacity as financial planning practitioners.
5.
 - (a) The Code consists of this introduction and two parts set out in the schedule to this Bye-Law: Part I - Principles and Part II - Rules.
 - (b) The Principles are statements expressing in general terms the ethical and professional responsibilities of CFP professionals that are to be observed by

them in the course of their professional activities. The comments following each Principle set out guidance in relation to it.

- (c) The Rules provide practical guidelines derived from the tenets embodied in the Principles. As such, the Rules set forth the standards of ethical and professional conduct expected to be followed in particular situations.
- (d) The Code does not purport to define standards of professional conduct of CFP professionals for purposes of civil liability.
- (e) Nothing in this Bye-law and Code is intended to impose additional requirements and or responsibilities on a CFP Professional or a "Relevant firm" than the requirements and responsibilities which are provided for in applicable legislation and or regulations of regulatory authorities as may be enacted and amended from time to time.

6. Expressions used in the Code

"Conflict(s) of interest" means circumstances, relationships or other facts about the CFP professional's own financial, business, property and/or personal interests or those of any member of his or her family or other person connected with him or her that may, as it may appear to a reasonable observer, impair the CFP professional's ability to render disinterested and objective advice, recommendations or services, including without limitation, whether he or she or the relevant firm would give rise to any of the following circumstances if he or she or it were to provide financial planning services to a (prospective) client.

- (a) The CFP professional or the firm is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- (b) The CFP professional or the firm has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- (c) The CFP professional or the firm has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- (d) The CFP professional or the firm carries on the same business as the client;
- (e) The CFP professional or the firm receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, except as disclosed to the client and which would be consistent with industry norms.

"Financial Planning" means the process of creating strategies to manage the client's financial affairs in order to achieve their defined financial objectives.

"Relevant firm" means a firm which the CFP professional represents.

SCHEDULE

Part I – Principles

The eight principles of this Code of Ethics and Professional Responsibility are:

Principle 1 – Best interests of Clients

Act in the best interest of clients.

Acting fairly, honestly and professionally in the best interests of the client is a hallmark of professionalism, requiring the financial planner to act honestly and not place personal gain or advantage before the client's best 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 protect 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 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

Conduct themselves in a professional manner at all times.

Professionalism requires behaving with dignity 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 knowledge and skill 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 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 maintained and protected in such a manner that allows access only to those who are authorised to access that information. 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 providing services in a timely and thorough manner, and taking due care in planning, supervising, and delivering professional services.

Part II – Rules

Introduction

These Rules provide practical guidelines derived from the tenets embodied in the Principles. As such, the Rules set forth the standards of ethical and professionally responsible conduct expected to be followed in particular situations.

Rules

1. A CFP professional shall not communicate, directly or indirectly, to clients or any other parties any false or misleading information directly or indirectly related to the CFP professional's qualifications or services.
2. A CFP professional shall not mislead clients or any other parties about the potential benefits of the CFP professional's service.
3. A CFP professional shall disclose all relevant facts where the disclosure is necessary to avoid misleading clients or any other parties.

4. A CFP professional shall not engage in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to clients or any other parties.
5. A CFP professional shall at all times act honestly, fairly and professionally in the best interests of his or her clients and the integrity of the financial markets.
6. A CFP professional shall treat the client fairly and provide professional services with integrity and objectivity.
7. A CFP professional shall ensure that his or her personal biases or interests do not adversely affect his or her services to clients.
8. A CFP professional shall make and/or implement only recommendations that are suitable for the client.
9. A CFP professional shall offer advice only to clients in those areas in which he or she is authorised to do so and is competent and shall maintain competence in all areas of his or her professional practice. In areas where the CFP professional is not competent, the CFP professional shall seek the counsel of, and/or refer clients to, qualified individuals.
10. A CFP professional shall keep informed about developments in financial planning and participate in continuing professional development throughout his or her career.
11. If the services include financial planning or material elements of the financial planning process, a CFP professional shall disclose the following information in writing to the client:
 - a. An accurate and understandable description of the remuneration arrangements being offered. This description must include information related to costs to the client and general form and source of remuneration to the CFP professional and/or the relevant firm; and terms under which the CFP professional and/or the relevant firm may receive any other sources of remuneration, and if so, what the sources of these payments are and on what they are based.
 - b. A general summary of possible conflicts of interest between the client and the CFP professional, the relevant firm or any affiliates or third parties, including, but not limited to, information about any familial, contractual or agency relationship of the CFP professional or the relevant firm that has a potential to materially affect the relationship with the client.
 - c. Any information about the CFP professional or the relevant firm that could reasonably be expected to materially affect the client's decision to engage the CFP professional that the client might reasonably want to know in establishing the scope and nature of the relationship, including but not limited to information about the CFP professional's areas of expertise.
 - d. Contact information for the CFP professional and, if applicable, the relevant firm.

On an ongoing basis, the CFP professional shall timely disclose to the client any material changes to the above information.
12. A CFP professional shall not borrow money from a client, except when:
 - a. the client is a member of the CFP professional's immediate family, or

- b. the client is an institution in the business of lending money and the borrowing is unrelated to the professional services performed by the CFP professional.
13. A CFP professional shall not lend money to a client except when the client is a member of the CFP professional's immediate family.
 14. A CFP professional shall treat the client's information as confidential except as required in response to proper legal process or regulatory requirements.
 15. A CFP professional shall take prudent steps to protect the security of the client's information and property, including the security of stored information, whether physically or electronically, that is within the CFP professional's control.
 16. A CFP professional shall exercise reasonable and prudent professional judgment in providing professional services.
 17. A CFP professional shall be in compliance with all applicable legal and regulatory requirements governing professional services provided to the client.
 18. A CFP professional who acts for a firm in the provision of professional services shall perform such professional services with dedication to the lawful objectives of the CFP professional/firm relationship and in accordance with FPSB Ireland's Code of Ethics.
 19. A CFP professional shall abide by the terms of all agreements with FPSB Ireland, including, but not limited to, using the CFP Marks properly and cooperating fully with FPSB Ireland's trademark and professional review processes and requirements.
 20. A CFP professional shall meet all FPSB Ireland's requirements, including continuing professional development requirements, to retain the right to use the Marks.
 21. A CFP professional shall notify FPSB Ireland in writing
 - a. if he or she has, before a court in any jurisdiction, pleaded guilty to or has been found guilty of any offence involving dishonesty, violence or indecency or has in any civil or criminal proceedings been held or found to have acted fraudulently or dishonestly;
 - b. if he or she has been suspended or excluded from membership of another professional body under any disciplinary procedure of such body.
 22. A CFP professional shall notify FPSB Ireland of changes to contact information, including e-mail address, telephone number(s) and actual address, within forty five (45) days of the change.
 23. A CFP professional shall not engage in any conduct which reflects adversely on his or her integrity or fitness as a CFP professional, upon the Marks, or upon the financial planning profession.
 24. A CFP professional shall provide professional services in a timely and thorough manner.
 25. Consistent with the nature and scope of the engagement, a CFP professional shall reasonably investigate the products and services recommended to clients. Such investigations may be made by the CFP professional or by others provided the CFP professional acts reasonably in relying upon such investigation.

26. A CFP professional shall provide reasonable and prudent professional supervision of, or direction to, any subordinate or third party to whom the CFP professional assigns responsibility for any client services.
27. A CFP professional and the client shall mutually agree upon the services to be provided by the CFP professional.
28. If the services include financial planning or material elements of the financial planning process, prior to entering into an agreement, the CFP professional shall provide written information and/or discuss with the client the following:
 - a. The obligations and responsibilities of each party under the agreement with respect to defining the client's financial objectives, needs and priorities; gathering and providing appropriate information; examining the result of the client's current course(s) of action without changes; the formulation of any recommended actions; implementation responsibilities for the financial planning recommendations; and responsibilities for reviewing the financial planning recommendations.
 - b. Remuneration that any party to the agreement or any affiliate to a party to the agreement will or could receive under the terms of the agreement; and factors or terms that determine costs to the client, how decisions benefit the CFP professional and/or the relevant firm and the relative benefit to the CFP professional and/or the relevant firm.
 - c. Terms under which the CFP professional will utilise proprietary products.
 - d. Terms under which the CFP professional will use other entities/professionals to meet any of the agreement's obligations.
 - e. The process for terminating the relationship.
 - f. Procedures for resolution of client claims and complaints against the CFP professional.
29. If the services include financial planning or material elements of the financial planning process, the CFP professional and/or the relevant firm shall enter into a written agreement governing the financial planning services ("Agreement"). The Agreement shall include:
 - a. The parties to the Agreement;
 - b. The date of the Agreement and its duration;
 - c. How and on what terms each party is able to terminate the Agreement; and
 - d. The services to be provided as part of the Agreement.
30. A CFP professional shall take all reasonable steps to ensure that the client understands the financial planning recommendation(s) to allow the client to make informed decisions.