

CODE OF ETHICS



March 15 2021

Introduction

There are many benefits of belonging to the Financial Advice New Zealand, but none is more important than what being a member says to clients and the public and other stakeholders we engage with.

Membership of Financial Advice New Zealand and compliance with the Code of Ethics and Practice Standards marks you as a professional: a person others can rely on for quality advice, given in their interests.

Because of that, fundamental to being a member is accepting the responsibility to act professionally. Ensuring that Financial Advice New Zealand membership continues to have meaning to the public, places an obligation on all members: each of us has a responsibility to all of us.

The responsibilities of membership are expressed in the Financial Advice New Zealand Code of Ethics (Code). The Code provides guidance on the standards of professional conduct members expect of each other. The Principles are inspirational and are intended to provide guidance for appropriate and acceptable professional behaviour.

Complying with the Code is a requirement of membership of Financial Advice New Zealand, and failing to comply can result in disciplinary action and loss of membership. But, more importantly, the Code provides the framework for members to create successful and enduring relationships with clients.

For most members therefore, the expectations of the Code should already be second nature, because the Code simply makes explicit what they already intuitively understand: this is the way professionals conduct business.

Financial Advice New Zealand affirms its adherence to certain ethical principles and accepts responsibility for delineating the standards of ethical behaviour expected of members who are professional financial advisers and those members who are themselves Financial Advice Providers (FAPs).

Notes:

1. The Code of Ethics, Practice Standards and Rules of Conduct, make up a package of requirements for good practice for Financial Advice New Zealand members.
2. **Client definition.** For the purposes of this document, “client” refers to the person or people the member is providing, or seeking to provide, regulated financial advice to whether directly or on behalf of the member’s Financial Advice Provider (FAP).
3. Where reference is made to a FAP, this includes FAP Licensees and Authorised Bodies.
FAP Licensee - means a Person that is registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (or replacement Act) in relation to a financial advice service as a financial advice provider - licensee.
Authorised Body – means an entity that is authorised to provide financial advice services under a FAP Licensee’s licence.

PRINCIPLES

Principle 1 – Client First

Place the client's interests first.

Placing the client's interests first is a hallmark of professionalism, requiring the member to act honestly and place the client's interest above their own interest or those of their employer and FAP.

Principle 2 – Integrity

Provide professional services with integrity.

Integrity requires honesty and candour in all professional matters. Members are placed in positions of trust by clients, and the ultimate source of that trust is the member'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 member 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 member functions, objectivity requires members 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 member, 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 abilities, skills and knowledge 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 member 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 service.