



R.F.P. Code of Ethics

The requirement of the public and business community for sound financial advice imposes an obligation on financial planning professionals to maintain high standards of technical competence, morality and integrity. To this end a Code of Professional Ethics serves as the guiding document for Members of the International Association of Financial Planners.

International Association of Registered Financial Planners Code of Professional Ethics *

**In the IARFP Code of Professional Ethics, the term “Member” applies to all Members of the Association, and at all times*

The requirement of the public and the business community for sound financial advice imposes on financial planning professionals an obligation to maintain high standards of technical competence, morality and integrity. To this end, the following Code of Professional Ethics serves as the guiding document for Members of the International Association of Registered Financial Planners.

I. Obligations to Clients

CANON 1:

Members shall act in the best interests of their clients and shall place the interests of their clients above their own.

Tenet 1.1: The professional relationship between a Member and a client may be a trust relationship in nature. Whether strictly a trust relationship or not, the Member owes the client a duty of fidelity, honesty and complete disclosure.

Tenet 1.2: A Member has an obligation to disclose, to a client or a prospective client, any actual or potential conflict of interest that is or should be known to the Member. Where possible, disclosure should be in writing, and acknowledged in writing by the client.

Tenet 1.3: When recommending products, a Member's sole concern should be the client's best interests. Considerations of self interest, such as the amount of commission to be obtained from products, should have absolutely no bearing upon the Member's advice to the client or prospective client.

Tenet 1.4: An R.F.P. shall inform the client verbally or in writing at the earliest possible occasion of changes in circumstances and material information that arise during or subsequent to the original engagement that may have an impact on the professional relationship or services to be rendered. Such changes include, but are not limited to:

- a) conflicts of interest;
- b) the R.F.P.'s business affiliation;
- c) compensation structure affecting the financial planning services to be rendered;
- d) new or changed agency relationships;
- e) change of location by the client to a jurisdiction where the R.F.P. is not licensed and in the opinion of the R.F.P. he or she will be unable to discharge his or her obligations to the client;
- f) inaction by the client to provide requested information necessary for the continuance of a financial planning engagement;
- g) the R.F.P. moves to a different location and is no longer licensed in the jurisdiction of the client thereby preventing the R.F.P. in his or her opinion from discharging his or her obligations to the client.

CANON 2:

Members shall hold in strict confidence all confidential information acquired in the course of the professional relationship with their clients.

Tenet 2.1: A Member will necessarily obtain extensive information concerning the personal financial affairs of clients and prospective clients. A legal obligation and a duty to maintain such information in confidence is imposed on the Member by the operation of an express or implied term of the contract between the Member and the client. In any case, receiving such information places the Member in a position of trust and



responsibility and it is unethical to betray this trust in any respect.

Tenet 2.2: Unlike the privilege in respect of solicitor client communications, a financial planner enjoys no legal privilege in respect of communications with clients and prospective clients. As a result, while a Member should take all appropriate steps to protect the confidential communications of clients, it is recognized that the Member may be compelled to give evidence of those communications in a court of law or in other situations.

Tenet 2.3: If the Member believes it would be in the best interests of the client or prospective client to disclose the client's affairs with another person, the Member should first get the client's or prospective client's permission to do so, preferably in writing.

Tenet 2.4: Documents received from a client are at all times the property of the client and must be returned to the client promptly upon the client's request.

Tenet 2.5: The use of client information for personal benefit is improper, whether or not it actually causes harm to the client. Client information must not be sold to a third party. A client's name shall not be disclosed to another party unless specific consent has been granted for the use of the client as a reference.

CANON 3:

Members shall disclose to clients all sources of compensation relating to that client relative to recommendations made and services performed.

Tenet 3.1: When recommending products, a Member's sole concern should be the client's best interests. Considerations of self-interest, such as the amount of commission to be obtained from products, should have absolutely no bearing upon the Member's advice to the client or prospective client.

CANON 4:

Members shall act in a conscientious, timely, and trustworthy manner, and provide advice to clients only on matters within their competence.

Tenet 4.1: The financial affairs of a client or prospective client may have legal, accounting, investment or taxation ramifications. A Member can and should discuss matters having such ramifications, but must never misrepresent the Member's qualifications. In particular, a Member should neither represent that the Member is a



lawyer, accountant or investment counsellor, nor leave uncorrected a misapprehension that the Member is a lawyer, accountant or investment counsellor, unless the Member is in fact so qualified.

Tenet 4.2: In rendering or proposing to render a professional service for a client, a Member shall not misrepresent or conceal any material limitation, which is known or ought to be known to the Member, or the Member's ability to provide the type of service that will adequately meet the anticipated financial planning needs of the client in question.

Tenet 4.3: In recommending a product to a client, a Member shall not misrepresent or conceal any material limitations, which are known or ought to be known to the Member, on the product's ability to meet the anticipated financial planning needs of the client in question.

CANON 5:

Members shall make every effort to provide objective and impartial information to clients regarding their financial needs, and advise clients of their various options, describing the negative as well as the positive aspects of any recommendations.

Tenet 5.1: A Member shall identify and explain to the client all negative aspects, including the potential risks, of the Member's recommendations.

Tenet 5.2: A Member has an obligation to provide complete and accurate information. A Member must not omit to provide information or fail to correct a mistaken impression which the Member knows, or ought to know, exists.

CANON 6:

Members shall exercise due diligence in the performance of their duties.

Tenet 6.1: In providing professional services to clients, a Member has a legal duty to meet the standard of care exercised by a competent financial planner.

Tenet 6.2: In making recommendations to a client, a Member shall:

- distinguish clearly between fact and opinion,
- base the recommendations on sound professional evaluations of the client's present and future needs,



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- support the recommendations with appropriate research and adequate documentation of facts,
 - fully explain the nature and possible consequences of any recommendations, and scrupulously avoid any statements which may mislead the client regarding the projected future results of any recommendations.

II. Professional Conduct

CANON 7:

Members shall at all times comply with the By-Laws, Rules, Regulations and Professional Standards of the International Association of Registered Financial Planners .

Tenet 7.1: A Member has the duty to be aware of, to understand, and abide by the Canons and Tenets of the Code of Professional Ethics, Rules, Regulations and Professional Standards, as adopted from time to time, by the International Association of Registered Financial Planners.

Tenet 7.2: Upon request, a Member shall inform a client or prospective client of the criteria for admission to membership in the International Association of Registered Financial Planners . A Member shall not misrepresent the criteria for admission to the Association.

Tenet 7.3: Upon request, a Member shall provide full information regarding any credentials or affiliations with other organizations or academic qualifications, or any other requested information, to the International Association of Registered Financial Planners . A Member shall not misrepresent any such credentials, affiliations, or qualifications.

Tenet 7.4: Failure of a prospective Member to comply with the requirements of Tenet 7.3 may disqualify that person from membership in the International Association of Registered Financial Planners.

Tenet 7.5: The procedures, which will be followed in any disciplinary action, are set out in the IARFP Regulation entitled, “Procedure for adjudication of an allegation of unprofessional conduct of a member and disciplinary action,” including any subsequent amendments of this Regulation.

Tenet 7.6: Members have the duty to be aware of, to understand, and to abide by the



Financial Planners Practice Standards as adopted from time to time by the International Association of Registered Financial Planners

CANON 8:

Members shall comply with all relevant laws, regulations and standards of any governmental or other professional bodies with jurisdiction, and advise the Association of any transgressions.

Tenet 8.1: A Member is subject to disciplinary action for the violation of any law or regulation, to the extent that such violation constitutes professional misconduct.

Tenet 8.2: In the conduct of business and professional activities, a Member shall not engage in any act or omission of a dishonest, deceitful, or fraudulent nature.

Tenet 8.3: A Member has a duty to know, and to act strictly within, the legal limitations imposed upon the scope of the Member's professional activities.

Tenet 8.4: A Member who possesses information concerning an alleged violation of the Canons or Tenets of the Code of Professional Ethics, in relation to which the Member has no legal obligation to a client to maintain the Association's Code Of Professional Ethics confidentiality, should report the alleged violation and, upon request, reveal such information to the body or other authority duly empowered by the Association to investigate or act upon the alleged violation.

CANON 9:

Members shall continually seek to maintain and improve their knowledge, skills and competence in financial planning.

Tenet 9.1: A Member shall keep informed of all matters that are essential to the maintenance of the Member's professional competence in the Member's area of specialization or in which the Member claims expertise. In addition, a Member shall make reasonable efforts to improve the Member's professional competence in such areas.

CANON 10:

Members shall endeavour to place the public interest above their own and shall not do anything that would tend to bring the profession of financial planning and/or the International Association of Registered Financial Planners into disrepute.



Tenet 10.1: A Member shall support efforts to provide the public with objective and accurate information concerning their financial planning needs and the resources that are available to meet those needs.

Tenet 10.2: A Member shall not misrepresent or denigrate another Member or their financial planning firm, or the benefits, costs or limitations of any financial planning service or product. However, this Tenet is in no way intended to restrict a Member from making a positive statement about himself, his financial planning firm, or the benefits, costs, or virtues of any financial planning service or product offered by him or his firm. This Tenet is not intended to limit the Member’s ability to express his honest assessment in the process of advising or counselling his client.

Tenet 10.3: A Member shall not misstate or allow a misapprehension to exist as to the Member’s authority to represent the International Association of Registered Financial Planners . A Member shall not write, speak, or act in a manner that may lead another to believe that the Member is officially representing the Association, unless the Member has been duly authorized to do so by the Regents, Officers or By-Laws of the International Association of Registered Financial Planners.

Tenet 10.4: A Member shall not use the fact of membership in the International Association of Registered Financial Planners in any manner other than those authorized in Regulation 02, “The Advertising Guidelines.”

Tenet 10.5: A Member shall not sponsor as a candidate for membership in the International Association of Registered Financial Planners any person whom the Member knows, or on reasonable grounds believes, to be engaged in business or professional practices which would violate the Tenets or the Canons of the Code of Professional Ethics if engaged in by a Member of the Association.

Note: As used throughout these Tenets, the term “client” refers broadly to any individual, business, firm, association, society, governmental body, educational institution or any other entity or person that retains the professional advice or services of a Member as an independent professional. It does not include an entity entering into an employer employee relationship with a Member.

III. Enforcement

Enforcement and interpretation of the Canons shall be governed by the Rules and Regulations of the International Association of Registered Financial Planners . A Member, or former Member who, while a Member, violated the Canons and Tenets of the



Code of Professional Ethics may be subject to one or more of the following:

- Permanent expulsion from the International Association of Registered Financial Planners ,
- Permanent loss of the right to use the R.F.P. designation,
- Temporary expulsion from the International Association of Registered Financial Planners , with reapplication and requalification being required,
- Temporary loss of the right to use the R.F.P. designation,
- A written reprimand from the National President,
- Publication of such violation,
- Entering such violation on the Member's personal records,
- Such other measures as are deemed appropriate, from time to time, by the Standing Committee on Ethics.

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