

FECIF CODE OF CONDUCT FOR FINANCIAL ADVISERS

Philosophy and Purpose of the Code

Financial advisers play a key role in helping citizens meet their goals and make informed investment decisions, with particular regard to the value of financial planning and the enhancement of financial education.

This Code, based on general Principles, is intended to promote the ethical and professional behaviour of financial advisers represented by the European Federation of Financial Advisers and Financial Intermediaries (FECIF), thereby contributing to the institutional aims of the Federation.

Principle I – Professionalism

Financial advisers should attain, maintain and develop high standards of professional knowledge and competence via a combination of appropriate qualifications, experience and ongoing professional development.

Particular attention should be devoted to:

- Continued learning and certification requirements. Financial advisers should maintain and develop their knowledge and competence by keeping up with changes in the economic and regulatory environment, at both national and international level
- Complementing compulsory on-going training with professional development on a voluntary basis in the form of courses, seminars, independent studies or learning
- Integrating technical knowledge and competence with interpersonal and emotional skills, with particular attention to responsiveness to their clients' characteristics and needs.

Principle II – Integrity and Diligence

Financial advisers should:

- Know, understand and comply with both the letter and the spirit of applicable law on a continuous basis
- Perform their activity with the highest degree of integrity and be committed to attain and enhance the public image and reputation of the profession with regards to clients and potential clients, regulators, supervising authorities and the broader community
- Maintain high standards of personal conduct and exercise sound professional judgement at all times, including those instances not explicitly or specifically regulated by applicable law
- Exercise a high degree of care and attention in their professional service, in a manner that brings honour and dignity to their profession

- Not accept requests from clients, potential clients, financial intermediaries or other relevant stakeholders which are not in conformity with applicable law

Principle III – Clients’ Best Interests - General Criteria

As trusted professionals, financial advisers should act honestly, fairly and professionally in accordance with the best interests of their clients. Financial advisers should place the clients’ interests above their own private interests at all times by committing themselves to:

- **Objectivity.** Financial advice should be constantly based on thorough research, bespoke knowledge of the clients’ characteristics and needs, sound understanding of services and products and optimal matching of clients’ profiles with the services and products which best suit them
- **Fairness.** Financial advisers should provide clients and potential clients with complete, clear and up-to-date information in a manner that is comprehensive, accurate and understandable
- **Confidentiality.** Financial advisers should take all reasonable steps to ensure the confidentiality of all personal and business information relating to their clients, complying with applicable law

Principle IV – Clients’ Best Interests - Provision of Services

Financial advisers should proactively offer and provide service levels, in a timely and efficient way, which are adequate for their clients’ circumstances and needs. Specific attention should be devoted to:

- Listening and understanding clients’ and potential clients’ needs, instances, requests and complaints regardless of whether these activities are functional to the acquisition of new clients and/or the promotion of services and products
- Obtaining and updating the necessary information on the clients’ or potential clients’ characteristics and needs, with particular regard to their knowledge and experience, personal financial situation and investment objectives
- Informing clients on real costs, benefits and conditions of services and products in a precise, fair and understandable manner, abstaining from inaccurate and misleading information, with particular regard to future performance of investments
- Assisting clients to exercise informed and responsible choice in their financial decisions on a continuous basis
- Ensuring that all information, including marketing communications, addressed to clients or potential clients are fair, clear and not misleading; marketing communications should be clearly identifiable as such

- Understanding the services and products they offer or recommend, assessing their compatibility with the characteristics and needs of clients and potential clients, also taking account of the identified target market of end clients
- Ensuring that services and products are offered or recommended only when this is in the interest of the client

Principle V – Clients’ Financial Education

Financial advisers should contribute to enhancing clients’ and potential clients’ financial education with regard to the knowledge and understanding of basic financial concepts and the value of financial planning. Financial advisers should be committed to raising clients’ awareness of their rights and strengthening investor protection.

Principle VI – Market Integrity and Transparency

The behaviour and activities of financial advisers in their relationships with market Authorities, public institutions and other market operators should be inspired by the highest principles of integrity, diligence and fairness.

Principle VII – Professional Relationships

The behaviour and activities of financial advisers in their relationships with their colleagues and internal supervisors should be inspired by the highest principles of loyalty, solidarity and mutual professional enhancement.

Principle VIII – Professional Means

Financial advisers should be committed to performing their mission and professional activities by the best means, in a manner that maintains and fosters the honour and dignity of the profession. The best due care should be devoted to the confidentiality of personal and business information, arrangements for information storage and the execution of client orders should be safeguarded.

Principle IX – The European Single Market

In their professional activity and relationships with all relevant stakeholders, financial advisers should:

- Recognise and respect cultural diversity across Europe
- Share and develop a common sense of European identity
- Contribute to the development of the European single market and comply with both the letter and the spirit of applicable law on cross-border provision of investment services and activities