



# IFC CODE OF PROFESSIONAL ETHICS

The Institute of Financial Consultants® sets forth this Code of Professional Ethics to guide the professional and personal conduct of members of the institute and/or its certification holders.

Members have a professional obligation to clients, prospects, employers, employees, the general public and other members to act competently and ethically at all times. Members are expected to comply with the content and the spirit of the Code of Ethics in order to fulfill this professional obligation.

This obligation extends to employees and others who are supervised by the member. The Institute's Board of Directors reserves the right to discipline members who do not comply with the Code, and may terminate membership and the privilege of using the CFC designation for breaches of the Code.

## CODE OF ETHICS

Members shall:

- keep themselves informed of all relevant laws, regulations and professional codes.
- keep themselves informed of all relevant professional knowledge relating to their financial consulting practice.
- take on only those assignments for which they have the necessary knowledge and skills to perform competently.
- inform the client (or employer), where they discover they do not have the necessary knowledge and/or skills to perform competently on an assignment, and assist the client (or employer) to find the services of a professional who has the necessary knowledge and skills.
- base all recommendations and advice to clients on the thorough and diligent research and analysis expected of a professional financial consultant serving the best interests of the client.
- ensure they understand the circumstances and needs of clients so they can best meet their needs.

## INTEGRITY

Members shall:

- not knowingly participate in, assist or ignore violations by a client of relevant laws, regulations and professional codes.
- not misrepresent their credentials, their qualifications to perform services or any other information provided to clients, prospects or employers.
- not act (including failure to act) in any manner that discredits the professional image of a financial consultant as a "trusted

- advisor"; refuse any gift, favor or other benefit that could influence, or be seen to influence, the member to act against the client's best interests or against this Code of Ethics.
- comply with all relevant laws, regulations and professional codes.
- determine their fiduciary duty of care to each client and comply fully with that duty.
- make reasonable effort to avoid all conflicts of interest, immediately declare any conflict of interest to clients, seek legal advice or the advice of the Institute if necessary, and take the required action to resolve the conflict.
- inform clients (or employers) of their professional obligation to comply with this Code of Ethics and any other such code. charge clients fair and reasonable fees that are agreed upon in writing before work begins, and inform the client at once if any additional financial benefit is realized by the member in the course of the assignment.
- encourage other financial consultants to comply with this Code.

## OBJECTIVES

Members shall:

- avoid any circumstance that may keep them from acting objectively and independently in the best interests of the client.
- disclose to clients all information that will enable clients to determine when recommendations and advice are based on fact and when on opinion, and generally to enable clients to understand the underlying rationales.

## CONFIDENTIALITY

### Members shall:

- not disclose confidential information of clients unless legally required to do so by relevant laws and regulations and/or due to illegal activity.
- not use confidential information of clients for personal gain or for the benefit of anyone other than the client.
- A member shall strive to keep current with developments in any area of the profession where specific expertise is claimed.

**Self Discipline:** A member shall recognize that the self disciplinary nature of the profession is a privilege and that the member has a responsibility to merit retention of this privilege. Therefore, a member shall report to the Board unbecoming professional conduct by another member.

**Responsibility for Others:** A member shall ensure that other financial consultants carrying out work on the member's behalf are conversant with, and abide by, the applicable Code of Professional Conduct.

- A member shall behave in a manner that maintains the good reputation of the profession and its ability to serve the public interest.
- A member shall avoid activities that adversely affect the quality of that member's professional advice.
- A member may not carry on business that clearly detracts from the member's professional status.

**Due Care:** A member shall act in the best interest of the client, providing professional services with integrity, objectivity, and independence.  
A member shall not encourage unrealistic client expectations.

**Business Development:** A member shall not adopt any method of obtaining business that detracts from the professional image of the Institute or its members.

**Competence:** A member shall accept only those assignments that the member has the knowledge and skill to perform.

**Informed Client:** A member shall, before accepting an assignment, reach a mutual understanding with the client as to the assignment objectives, scope, workplan, and costs.

**Fee Arrangement:** A member shall establish fee arrangements with a client in advance of any substantive work and shall inform all relevant parties when such arrangements may impair or may be seen to impair the objectivity or independence of the member.

- A member shall not enter into fee arrangements that have the potential to compromise the member's integrity or the quality of services rendered.

**Conflict:** A member shall avoid acting simultaneously for two or more clients in potentially conflicting situations without informing all parties in advance and securing their agreement to the arrangement.

- A member shall inform a client of any interest that may impair or may be seen to impair professional judgment.
- A member shall not take advantage of a client relationship by encouraging, unless by way of an advertisement, an employee of that client to consider alternate employment without prior discussion with the client.

**Confidentiality:** A member shall treat all client information as confidential.

**Objectivity:** A member shall refrain from serving a client under terms or conditions that impair independence and a member shall reserve the right to withdraw from the assignment if such becomes the case.

**Legal:** A member shall act in accordance with the applicable legislation and laws.