

AFA

Code of
Conduct -
6 Principles of
Professionalism
July 2014



afa

Great advice to professionals

AFA Code of Conduct - Professionalism

Introduction

The AFA has had a Code of Ethics (the “Code”) in place for many years. Given the continued evolution of financial advice into a recognised profession, we have reviewed this Code and evolved it into the AFA Code of Conduct – Principles of Practice. A draft Principles of Practice document was released for consultation in July 2012 and we are continuing to refine this in the light of ongoing changes in the legislation and regulation which affect matters such as Opt-in. With the removal of the Opt-in obligation a matter of ongoing public policy debate, this has held up the finalisation of the code. In the meantime a number of other key developments have had implications for the specific requirements of a financial advice professional association code of conduct, including the professional association accreditation requirements under TASA and a range of relevant recommendations or terms of reference issues with current parliamentary Inquiries.

The AFA appointed a cross industry advisory group, inclusive of a range of experienced senior executives and advisers to provide expert guidance on the development of the revised Code. This group have been working on all the key elements of the Code, including key principles, new member requirements, education and knowledge, and supervision and monitoring.

Whilst the other industry, regulatory and parliamentary issues have held up the finalisation of the complete code, the advisory group has finalised the AFA Six Principles of Professionalism that have been set out in this document. These principles have been approved by the AFA Board.

As the industry and regulatory issues are resolved, the AFA will move forward to release the full AFA Principles of Practice - Code of Conduct.

The purpose of the six principles:

The 6 Principles of Professionalism set out the minimum professional practice and ethical standards for members of the AFA when providing financial services.

The central objectives of the Code are the achievement of good consumer outcomes and fostering and enhancing the professional reputation of financial advisers.

The Code has six principles:

1. Integrity and professional conduct
2. Best interests
3. Conflicts of interest
4. Informed client consent
5. Service standards
6. Professional expertise

AFA members must abide by the Six Principles, the broader Code of Conduct and the AFA Constitution and By-Laws in addition to their obligations under the Corporations Act 2001 (Cth) and all other laws and regulations that apply to financial advice businesses.



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