



**European Financial Planning Association**

**EFPA QUALIFICATIONS STANDARDS - RULES AND  
RECOMMENDATIONS**

**CODE OF ETHICS**

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## Preamble

Financial planners and advisers, together with their professional associations, fulfill a number of vital functions in the financial sector. Based on high quality training and qualifications, legal requirements and on widely accepted codes of professional conduct, our members, and their organisations, should build on a solid foundation of ethical behaviour, competence and technical skills in financial markets. The key objective of EFPA is to promote the development and dissemination of international professional standards in order to contribute towards the highest levels of behaviour and performance in the professional practice of financial planners and advisers.

EFPA understands that every financial planner and adviser is defined by two main features, professional integrity and professional qualification. Ethics and skills are the two dimensions by which every practitioner will be judged. The ultimate objective of ethics is to promote the common good, and the EFPA Code of Ethics is guided by this goal. The creation and maintenance of trust is the key ingredient in the development of the integrated European financial market.

Therefore, EFPA is promoting the adoption of this European Code of Ethics.

### **The EFPA Code of Ethics consists of**

- The things we believe in, which lay down essential ethical behaviour for financial planners and advisers, and
- The things that we do, to ensure that our beliefs are reflected in our behaviour.

The EFPA principles seek to ensure the highest ethical conduct of financial planners and advisers. Primarily these principles are directed at practitioners who are members of EFPA national affiliates, but they also aim at setting standards for everyone in the profession, thus contributing to the integrity of European financial markets as a whole.

The national affiliates of EFPA are best equipped to provide their members, and any other person in the profession, with the recognition of the necessary knowledge and skills to provide appropriate advice to clients. The diversity of national and regional approaches will enrich the profession and create a cross- fertilization of ideas. While the approach to ethical conduct will tend to become standard across all nations and across all markets, a number of details may still remain subject to local laws and customs.

All certificate holders must comply with the Code of Ethics according to the EFPA Qualification Standards – rules and recommendations-, section 7 (Ethical requirements).

In cases where the Code of Ethics is breached, the Ethics Committee of each country has the right to suspend or withdraw the offender’s qualification.

## The Things we Believe

### **1. Competence and Professional Excellence**

Financial planners and advisers must always be guided by a knowledge and understanding of clients' needs.

### **2. Legality**

Financial planners and advisers must always act within the law and the compliance regulations.

### **3. Accuracy**

Financial planners and advisers must provide their clients with information and advice which, to the best of their knowledge, is accurate and which their clients can understand.

### **4. Fairness**

Financial planners and advisers must endeavour to act fairly in relation to their clients, their business partners and their employers in all their transactions.

### **5. Prudence**

Financial planners and advisers must act with all due care and attention when examining information, assessing risk and making recommendations that reflect their client's needs.

### **6. Honesty**

Financial planners and advisers must act honestly at all times and must not allow the prospect of personal gains to influence their behaviour.

### **7. Professional Integrity**

Financial planners and advisers must do everything in their power to enhance and protect their personal and professional integrity. Nor should they do anything in their personal or professional lives that will damage the reputation of their employers or the profession.

## Key Behaviours

### **1. Client's needs**

Practitioners must consider that meeting their client's needs is their principal objective. Clients must be dealt with fairly and all information and advice provided to them shall only be given after suitability and appropriateness tests have been conducted.

### **2. Highest Personal Qualities**

In all of their professional activities financial advisers shall observe the highest personal qualities of honesty, integrity, and fairness and perform their duties with all due care and diligence. Acting according to this principle shall inspire confidence and trust from clients and bring credit to the financial adviser profession as a whole.

### **3. Independence and Objectivity**

Financial planners and advisers shall take care to maintain their impartiality and to make fair judgments when performing their professional activities. They shall endeavour to ensure that their advice is not influenced by their personal interests.

Financial planners and advisers shall disclose, to their employers and clients, any matter of fact or circumstance that might influence their objectivity; always being aware of their own interests, dependencies, values and beliefs.

### **4. Professional Competence**

Financial planners and advisers shall strive continuously to maintain and improve their professional competence and shall endeavour to recognise the limits of their knowledge and abilities. Also, practitioners should recognise circumstances where their knowledge and competence are not sufficient to the task and seek other professionals for their support.

Financial planners and advisers shall use their qualifications with due care so as to enhance the standing of, and confidence in, such qualifications and their related associations.

## **5. Required Knowledge of Compliance**

Financial planners and advisers shall maintain knowledge of, and comply with, all applicable laws, rules, regulations, and the codes of ethics and standards of professional conduct of national or regional associations and shall not consciously participate in any violation thereof.

## **6. Best Practice**

Financial planners and advisers shall follow best practice in presenting to their clients, and prospective clients, investment recommendations, portfolio allocations, portfolio performance, as well as any other advice.

Financial planners and advisers shall have a reasonable basis for their investment recommendations, supported by thorough and diligent analysis and knowledge of each client's goals, restrictions and risk appetite.

Financial planners and advisers shall clearly distinguish between demonstrable facts and opinions. Where Artificial intelligence is used practitioners must ensure that it has been tested to exclude inherent bias.

Financial planners and advisers, if in the possession of inside information, shall not trade on, or communicate to others, such information until it is made public.

## **7. Prevention of Disclosure of Conflicts of Interest**

Financial planners and advisers shall take all necessary steps to resolve conflicts of interest that could reasonably appear to impair their judgment and otherwise disclose any apparent conflicts. In particular practitioners shall disclose to their clients and prospective clients all relevant payments or benefits received from any source. Financial advisers shall be willing and able to explain the basis of fees and other remuneration related to services performed on behalf of the client. Modest gifts may be accepted.

## **8. Non-Discrimination**

EFPA Financial Advisers should not engage in discrimination in their work, whether based on age, gender, race, ethnicity, national origin, religion, sexual orientation, disability, health condition, marital status, parental status, genetic information, or any other applicable bias.

## **9. Use of EFPA Designations**

Financial advisers and planners must make proper use of the designation they have been awarded in accordance with the framework developed by EFPA and accessible on the EFPA website.

EFPA members are allowed to use the designation they have been awarded as long as it remains valid. Misuse of EFPA designations is understood to be a violation of this Code of Ethics.