

**The Code of Ethics
And
Business Standards**

Of



Financial Service Limited

Contents

Rule 1:	General.....	3
Rule 2:	Professionalism	4
Rule 3:	Competence	6
Rule 4:	Confidentiality.....	7
Rule 5:	Personal conduct.....	8
Rule 6:	Disclosure.....	9
Rule 7:	Extent and type of service	10
Rule 8:	Insurance Advice	11
Rule 9:	Investment advice	12
Rule 10:	Insurance and investment product replacement	13
Rule 11:	Handling of client funds.....	15
Rule 12:	Safe custody, nominee and custodial services	16

Rule 1: General

Objective

To provide a framework to ensure that all members of PLANET comply with this Code

Rules

- 1.1** Members are responsible for the ethical and professional conduct of their staff and contractors, including their advisers. Careful and supportive supervision is part of this responsibility.
- 1.2** Members shall, as and when required by PLANET's Audit Committee, produce to that Committee such information as may be reasonably required, to determine whether members are complying with this Code.
- 1.3** Members who have information relating to a possible violation of this Code, or possible illegal activity by another member that is not required to be kept confidential, shall promptly bring such information to the attention of the Board.
- 1.4** Members who have knowledge that illegal conduct exists within that member's organisation and that appropriate measures are not being taken to remedy the situation, shall bring this to the attention of the Board. For the purposes of this clause, knowledge means no substantial doubt.

Rule 2: Professionalism

Objective

To ensure the delivery of service and advice to clients that is directly related to the client's circumstances and in their best interest by exercising reasonable and prudent professional judgement, due diligence and care.

Rules

The member will always act in the client's best interests, above consideration of personal gain.

When representing a client or prospective client's interests the member shall conduct all services in a lawful, prudent and professional manner consistent with the highest standards of honesty, integrity and ethics, ensuring compliance with all relevant laws.

- 2.1** Members must offer and perform services in an honest and forthright manner.
- 2.2** Members must comply with all relevant legislation.
- 2.3** Members must provide recommendations that are appropriate to the client's needs and circumstances, after taking into account the client's wishes.
- 2.4** Where there is doubt that the client is providing truthful and correct information the member is obliged to question the client about such information.
- 2.5** Members shall not give the impression that they are providing legal, taxation or such other professional advice unless that member is professionally qualified to practice in those fields.
- 2.6** Members shall ensure that due diligence and care is maintained in all professional activity.
- 2.7** Use of a member's name in connection with false, misleading or deceptive advertising is prohibited. In particular it is prohibited to misrepresent the size, scope or areas of competence of a member, or a firm which that member is associated with.
- 2.8** In promotional activities of any kind members shall take special care to avoid deception of the public in matters relating to providing financial services, or in the professional activities and competence of the member.
- 2.9** Members shall disclose to the client any possible conflict of interest in relation to personal endorsements.
- 2.10** Members must hold professional indemnity insurance at all times covering those areas in which the member practices, to provide clients with protection from errors and omissions. Such insurance shall also provide the member with cover for libel, slander, employee dishonesty and include full "prior acts" protection. The minimum level of cover and the maximum excess allowable will be as notified by the Board from time to time. Where the member does not hold this cover through the PLANET group scheme, they are to provide evidence of cover to PLANET each year.

- 2.11** Members must advise all clients of any changes to the member's business details, such as physical, postal or e-mail address and telephone/facsimile numbers.
- 2.12** Members must only be the assignee of an insurance policy if it is ethical and proper and perceived to be in the best interests of the client.

Rule 3: Competence

Objective

To ensure that members are committed to maintaining, enhancing and improving their competence in all areas of financial services in which they are professionally engaged.

Rule

Advice on financial services will only be offered in those areas in which the member has competence and Members will perform their services in a competent, efficient and business-like manner.

- 3.1** Members will be required to obtain an annual certification of competence from PLANET covering all companies they place business with.
- 3.2** Members will be required to obtain annual certification of competence in the understanding of relevant legislation.
- 3.3** Members shall seek qualified advice in areas of untested or uncertain ability, or refer the client to an appropriately qualified professional.
- 3.4** If a member lacks experience or competence in the area of advice being given, that member must ensure the client seeks independent competent advice.
- 3.5** Any person employed by a member in contact with the client or the public shall meet the minimum standards of competency as defined by this Code.
- 3.6** Members shall keep informed of new developments in the strategy, technique and application of the principles of insurance advising and/or investment advising and/or financial planning and the provision of financial services in general.
- 3.7** Members shall satisfy all minimum continuing education requirements set by PLANET.
- 3.8** Members shall have access to adequate and reasonable research on relevant markets, suppliers and products when formulating financial strategies and recommending investment or risk products in accordance with customary and accepted practices among practitioners.
- 3.9** Members shall be satisfied that reasonable investigation has been made regarding the financial products recommended or provided to clients. If the member does not make such investigation himself or herself, they may use the investigation of others, provided that the member acts reasonably in relying upon such investigation in accordance with customary and accepted practice among PLANET practitioners.

Rule 4: Confidentiality

Objective

To ensure that a client has complete confidence that their affairs will not be discussed or revealed to any third party without their explicit permission, and that the client has full trust in the relationship with the member.

Rule

Members shall not disclose or use any information about a client's personal, family or business affairs that derives from the client relationship, without the client's prior consent in writing, except where required to:

- (a) Comply with legal process; or
- (b) Defend the member against charges of misconduct; or
- (c) Provide information during professional mediation of a dispute between the member and the client; or
- (d) Provide information in connection with a civil dispute between the member and the client; or
- (e) Complete the provision of services agreed by the client.

- 4.1** Where a member believes that disclosure of information to a third party would be in the client's best interests, then members must obtain consent from the client, in writing, to disclose the information.
- 4.2** Members must not disclose, or use in any way, confidential client information without written permission from the client.
- 4.3** All confidential documents are to be stored in an area that provides appropriate security

Rule 5: Personal conduct

Objective

To ensure that the overall reputation of PLANET and the financial services profession as a whole is enhanced by the personal actions of individual members or their contractors or employees.

Rule

Members shall adhere to this Code of Ethics and Business Standards and comply with and understand relevant law and do nothing to bring PLANET or the financial services profession into disrepute.

- 5.1** A member's conduct in all matters is to reflect credit upon the profession and PLANET. Actions that might bring the reputation of the financial services profession into question are to be avoided.
- 5.2** The title "Financial Planner" is restricted to a Certified Financial Planner, or Associate member of the College of Financial Planners of FPIA.
- 5.3** PLANET's logo and name project the professionalism and character of PLANET. Incorrect or inappropriate use of the name, abbreviation and/or logo is prohibited.
- 5.4** Personal opinions must be clearly identified as such, and under no circumstances shall members give the impression they are representing the views of PLANET or any other group unless they have been authorised to do so.
- 5.5** In making public statements concerning specific products or services, members shall not indicate that PLANET endorses or approves such products or services.
- 5.6** Members must demonstrate respect for other financial service professionals, product suppliers and related professional groups and engage in fair, honourable and ethical competitive practices.

Rule 6: Disclosure

Objective

To ensure that client-adviser relationships are premised on the basis of open and willing disclosure.

Rule

Members shall provide a written disclosure document as prescribed by this Code.

- 6.1** Members must supply to clients/prospective clients a written disclosure document. A master copy of this document must be lodged with PLANET and an updated copy re-lodged when any change has occurred.
- (a) A copy of the disclosure document must be supplied to clients in accordance with the service provided.
- 6.2** Members' disclosure documents must include all requirements as detailed in the Securities Markets Act 1988 and the Securities Markets (Investment Advisers and Brokers) Regulations 2007 including the members:
- (a) Experience
- (b) Professional Relationships
- (c) Professional Associations
- (d) Qualifications.
- (e) Areas of Advice that are offered.
- (f) The member's method of remuneration i.e. fee only, commission only, or fee and commission and, where required, the level of this remuneration.
- (g) Professional Indemnity Insurance
- (h) Dispute Resolution Procedures.
- (i) A statement that the member is bound by this Code;
- (j) Procedure for the handling of client funds;
- 6.3** Members must advise clients of any important changes to member's business details, such as credentials, qualifications, remuneration structure, affiliations or agency relationships before conducting any further business with that client.

Rule 7: Extent and type of service

Objective

To agree with the client, or prospective client, the level and type of service being offered or provided by the member.

Rule

Members shall clearly define and explain to the client, or a prospective client, the level and type of financial services being provided or offered. A written statement is to be supplied to the client stating those areas being covered and this statement is to be signed by both the Member and the client(s). This document is referred to as the Scope of Service Agreement.

Bylaws

- 7.1** Members shall provide to the client, or prospective client, a Scope of Service Agreement stating the type of services being provided/offered. This may be provided separately or as part of another document.
- 7.2** The Scope of Service Agreement shall contain words to the effect that either:
- (a) The member is providing a comprehensive financial plan; or
 - (b) The member is providing services (either written or verbal) in accordance with the client's instructions which are limited to the areas listed in the declaration; or
 - (c) The member is conducting a transaction on behalf of the client, without the provision of advice, in accordance with that client's instructions.
- 7.3** A copy of the Scope of Service Agreement must be supplied to clients in accordance with the service provided as follows;
- (b) When providing written advice (including a comprehensive financial plan) then as early as the member decides but no later than at the time of presentation of the advice; or
 - (c) When providing verbal advice then as soon as possible after the provision of the verbal advice and, if possible, prior to accepting instructions to implement advice, otherwise immediately following the verbal communication; or
 - (d) When executing instructions without advice then immediately following the verbal communication with written confirmation of the transaction.
- 7.4** If providing a comprehensive financial plan members must follow the internationally recognised six-step financial planning process of:
- (a) Collect and assess all relevant data;
 - (b) Identify personal goals and translate to financial goals;
 - (c) Define and analyse financial problems;
 - (d) Provide a written financial plan with recommendations;
 - (e) Implement or co-ordinate the implementation of that plan;
 - (f) Periodically review the plan.

Rule 8: Insurance Advice

Objective

To provide all clients and prospective clients with insurance advice appropriate to their circumstances and to give clients confidence that they may reasonably rely on such advice.

Rule

To ensure that any insurance recommendations are appropriate and in the best interests of the client, members must have established that advice using reasonable judgement after gathering sufficient information about the client's circumstances, financial position and their objectives.

Bylaws

- 9.2** Members must only enter into a relationship with a prospective client after securing sufficient information to satisfy the member that:
- (a) a relationship is warranted by the prospective client's individual needs and objectives; and
 - (b) the member has no personal reservations concerning the provision of services to that individual.
- 8.2** Members must ensure that reasonable research has been made regarding those insurances recommended or provided to clients.
- 8.3** Members must provide a written report to the client that contains at least the following information:
- a) Evidence of how the recommended level of cover was arrived at.
 - b) Details of the insurance companies considered which must contain those companies that the member has obtained their annual certification of competence under clause 3.1.
 - c) Details of why the particular recommendation was made and what benefits are included in the rejected options that are not included in the recommended cover

Rule 9: Investment advice

Objective

To provide all clients and prospective clients with prudent investment advice appropriate to their circumstances and to give clients confidence that they may reasonably rely on such advice.

Rule

To ensure that any investment recommendations are appropriate and in the best interests of the client, members must have established that advice using reasonable and prudent judgement, after gathering sufficient information about the client's circumstances, level of sophistication, financial position and their objectives. When giving investment advice, all members shall adhere to the provisions of the "Prudent Person Principle", as set out in the Trustee Amendment Act 1988.

Bylaws

- 9.1** Members must only enter into a relationship with a prospective client after securing sufficient information to satisfy the member that:
- (a) a relationship is warranted by the prospective client's individual needs and objectives; and
 - (b) the member has no personal reservations concerning the provision of services to that individual.
- 9.2** Members must ensure that reasonable research has been made regarding those investments recommended or provided to clients.
- 9.3** Members must be able to demonstrate that a reasonable attempt was made to ensure that the client has a clear understanding of the potential volatility of the investment markets into which they are entering, to ensure that they can properly understand and cope with the likelihood of rises and falls associated with the value of the investments provided or recommended.

Rule 10: Insurance and investment product replacement

Objectives

To ensure that changes made to a client's investment/insurance products are being made in the client's best interests and to prevent duplication of up-front initial charges and undisclosed fees or commissions, whether received by the member or not.

Rule

Members shall not induce, or attempt to induce, a client to replace an existing investment/insurance policy, unless there is sound evidence that the existing investment/insurance policy should be amended, replaced, or it no longer meets the investor's or life assured's needs.

Bylaws

10.1 Prior to the completion of replacing an insurance policy members shall:

(a) ensure that an up to date written analysis of the client's financial needs is on file. This must include, the number of dependents, personal/family/business financial obligations, an evaluation of financial means, a review of existing life and disability insurance policies, including their characteristics and the insurers that issued them;

(b) present and review with the client a fully completed "Advice on Replacement Business" disclosure document as prescribed by the new insurer being recommended;

(c) be personally responsible for forwarding to the new insurer, within five business days of the date of the new application, the prescribed "Advice on Replacement Business" disclosure document, the new application, and ensure that the new contract terms and conditions are issued correctly;

(d) ensure that the existing contract(s) are not cancelled until favourable terms have been agreed with the new insurer;

(e) ensure that the information supplied fully and fairly represents the facts and complies with the Fair Trading Act 1986 (as amended), Consumer Guarantees Act 1993, Investment Adviser (Disclosure) Act 1996, and all other relevant legislation.

10.2 Prior to the completion of replacing an investment members shall:

(a) ensure that they adhere to this Code;

(b) ensure that the information supplied fairly represents the facts and complies with the Fair Trading Act 1986 (as amended), Consumer Guarantees Act 1993, Investment Adviser (Disclosure) Act 1996, and all other relevant legislation.

10.3 Members must exercise care and due diligence to ensure that minimal investment switching charges are incurred by the client.

- 10.4** Members must ensure that the client is fully informed of any available procedures for changing existing insurance policies that may allow no loss of benefits or may not incur additional costs to the client. These options must be utilised in order that any values, credits or privileges of the existing insurance policy may be transferred to the new policy.
- 10.5** Members must disclose all material facts, including product expenses to avoid any act or omission being detrimental to the client.
- 10.6** For those products with an investment element, new acquisition costs on any replacement product shall be avoided, or minimised. If new acquisition costs are payable by the client on the investment element of the acquisition then these shall be fully disclosed, by the member, to the client prior to the acquisition.
- 10.7** Members must advise the client to make certain that any new insurance policy recommended by the member is in force before action is taken to terminate an existing insurance policy.

Rule 11: Handling of client funds

Objective

To ensure that public confidence is maintained by prescribing strict business practices for the handling of monies.

Rule

Members will ensure that all monies paid by clients are paid directly to the company for whom those monies are ultimately intended.

Bylaws

- 11.1** Members must always request any payments to be made out in the name of the company for whom they are ultimately intended.
- 11.2** Where a client pays by cash, the member must immediately forward the monies to the intended company.

Rule 12: Safe custody, nominee and custodial services

Objective

To preclude members from providing safe custody, nominee or custodial service for securities, property and documents of clients without having audited practices and procedures in place.

Rule

Members are prohibited from providing safe custody, nominee or custodial services for any of their client's securities, property or documents unless specifically permitted to do so, having provided evidence that their practices and procedures have been audited by a body approved by PLANET.