



## FEATURE: THE MODERN PRACTICE

By **The Ethics Committee of the Philadelphia Estate Planning Council\***

# Practice Professionally

An easy reference guide to keep up-to-date on the latest rules for ethical behavior

**E**state planning works best when the estate-planning “team” is coordinated to work towards the client’s goals. The team members include the representatives from various professional designations, and each of those professional governing bodies may have different rules to follow in the ethical arena. “Ethics Matrix 2017,” p. 32, represents the efforts of the Ethics Committee of the Philadelphia Estate Planning Council (PEPC), and it highlights the rules from each independent professional organization designated for various issues that come up in the context of an estate-planning team. These ethical standards are model rules promulgated by national governing groups, not the state-specific standards that could be applicable to an individual in a particular matter. Moreover, some individuals wear more than one hat and may be obligated to follow the highest standard for the multiple obligations.

### The Matrix

The Matrix, originally compiled for PEPC members, was first published in *Trust & Estates* in 1998 and subsequently updated in 2004. In 2007, the Matrix was updated again, and the results were published in the May 2007 issue of *Trust & Estates*. The 2007 Matrix identified five areas of regulation: Confidentiality, Conflicts of Interest, Compensation, Competency and Compliance, dubbed the “Five Cs.”

We’ve expanded the new updated Matrix to reflect realities of 2017 estate planning. This year, we’ve introduced two new categories: Communication and Collaboration. In the 2017 estate-planning world, practitioners are much more likely to be addressing issues concerning communication not only between planner and client but also between the various

professionals on the team. Moreover, collaboration rules have been developing over the last 10 years, so they now deserve special attention in the Matrix. As noted below, not all professional designations have addressed all of the various issues.

The purpose of the Matrix is to give planners a reference guide on various reference points for each different topic. It’s the starting point, not the end, of thorny issues that confront us each day. As a result, planners shouldn’t rely solely on the Matrix. It’s important to seek out the codes and rules in their entirety for further guidance.

### Sample Client Consent Form

Having worked with the Matrix, we realize the concept of client consent to disclose to other members of the team isn’t really addressed within the rules of the various professional designations, and we offer a sample letter as a first step in considering that issue. “Client Consent Form,” p. 31, represents a proposed client consent form letter for communicating with the other members of the estate-planning team. While obtaining a client’s prior consent can serve a useful and beneficial goal in “best practices,” it isn’t intended to imply that such prior written consent is ethically required.

In sum, the Matrix represents a rule of thumb for a planning team to consider because it can help to set expectations before problems arise. Nevertheless, the team could consider an aggregate interdisciplinary standard for each ethical component that we’ve designated as the “Seven Cs.” As was noted in 2007, estate planners can use the Matrix to “mind your Ps and Qs” and keep up-to-date on the latest rules for ethical behavior.



## Client Consent Form

*Get permission to communicate with other members of the estate-planning team*

Planning Capital Management Company (PCMC) collects non-public personal and financial information about our clients. This confidential information is strictly maintained in a secure and private manner as stated in our Privacy Notice. By signing below, you authorize PCMC to disclose this confidential information to the listed parties. Confidential information will be shared as necessary to help support our fiduciary duty. This includes, but isn't limited to, transacting services you might request and considering products or services that we think may be in your best interests.

Please list below any specific individuals to whom PCMC may disclose your confidential information and/or from whom PCMC may take instructions on your behalf. For example, these individuals might include your attorney, accountant, children, etc. Spousal authorization should be designated below your signature.

Any special instructions should be specified in the "Notes" section. You may revoke all or part of this authorization at any time by giving PCMC written notice.

Name	Relationship	Phone	I authorize PCMC to:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Notes/Additional Instructions:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Signature and date	Signature and date
Printed name	Printed name

— Richard W. Bell, Jr.

\* The members of the Ethics Committee are, left to right, top to bottom: **Richard W. Bell, Jr.**, president, Planning Capital Management; **M. Eileen Dougherty**, senior vice president, Hawthorn; **Samuel T. Freeman III**, senior vice president, Freeman's; **Glenn A. Henkel**, shareholder, Kulzer & DiPadova; **Linda Callahan Henry**, principal, Woodleave Wealth Process LLC; **Matthew A. Levitsky**, attorney, Fox Rothschild LLP; **Skip Massengill**, GFS, BEDROCK Principle Advisors; **Melinda G. Rath**, managing director of wealth advisory, Glenmede; and **Mark Sobel**, shareholder, Drucker & Scaccetti





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### Ethics Matrix 2017

*The latest codes of conduct for wealth managers and estate planners of all stripes*

#### AMERICAN ACADEMY OF ACTUARIES (AAA)

Code of Professional Conduct/ Effective Jan. 1, 2001 / 202-223-8196 / [www.actuary.org/pdf/prof/code\\_of\\_conduct.pdf](http://www.actuary.org/pdf/prof/code_of_conduct.pdf)

##### Confidentiality

An actuary shall not disclose to another party any confidential information unless authorized to do so by the principal or required to do so by law.

-Precept 9

##### Conflicts of Interest/ Disclosure

An actuary shall not knowingly perform actuarial services involving an actual or potential conflict of interest unless:

- (a) the actuary's ability to act fairly is unimpaired;
- (b) there has been disclosure of the conflict to all present and known prospective principals whose interests would be affected by the conflict; and
- (c) all such principals have expressly agreed to the performance of the actuarial services by the actuary.

-Precept 7

An actuary who issues an actuarial communication shall, as appropriate, identify the principal(s) for whom the actuarial communication is issued and describe the capacity in which the actuary serves.

-Precept 3

##### Competence

An actuary shall perform actuarial services with skill and care.

-Precept 1, Ann. 1-1

An actuary shall perform actuarial services only when the actuary is qualified to do so on the basis of basic and continuing education and experience and only when the actuary satisfies applicable qualification standards.

-Precept 2

An actuary shall ensure that actuarial services performed by or under the direction of the actuary satisfy applicable standards of practice.

-Precept 3

#### AMERICAN BANKERS ASSOCIATION (ABA)

Institute of Certified Bankers Professional Code of Ethics / 1-800-226-5377 / [www.aba.com/Training/ICB/Pages/Ethics.aspx](http://www.aba.com/Training/ICB/Pages/Ethics.aspx)

##### Confidentiality

Safeguard the confidential nature of information concerning the business transactions and condition of my employer and of my employer's present and prospective customers, clients, borrowers or suppliers, except where disclosure of such confidential information is required by state or federal law regulation.

-Part 7

##### Conflicts of Interest/ Disclosure

Conduct my professional affairs in a manner that avoids a conflict of interest or the appearance of a conflict of interest. If I become a party to a conflict, or the appearance of a conflict is created, I shall inform my supervisor as soon as possible.

-Part 1

##### Competence

Strive to become and remain proficient in carrying out my professional duties. If I accept responsibility for handling new and unusual professional activities, but I find that it is beyond my competency, then I agree that I am expected to become competent by diligently undertaking the work and study necessary to qualify myself, or to obtain the assistance of a professional possessing the necessary skills or competency.

-Part 9



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### Compliance

An actuary shall comply with the code. An actuary who commits a material violation of the provisions of the code shall be subject to the profession's counseling and discipline procedures.

-Code Introduction

An actuary shall make use of membership titles and designations of a recognized actuarial organization only in a manner that conforms to the practices authorized by that organization.

-Precept 12

An actuary with knowledge of an apparent, unresolved, material violation of the code by another actuary should consider discussing the situation with the other actuary and attempt to resolve the apparent violation. If such discussion is not attempted or is not successful, the actuary shall disclose such violation to the appropriate counseling and discipline body of the profession, except where the disclosure would be contrary to law or would divulge confidential information.

-Precept 13

### Compensation

An actuary shall make appropriate and timely disclosure to a present or prospective principal of the sources of all direct and indirect material compensation that the actuary or the actuary's firm has received, or may receive from another party in relation to an assignment for which the actuary has provided, or will provide, actuarial services for the principal.

The disclosure of sources of material compensation that the actuary's firm has received, or may receive, is limited to those sources known to, or reasonably ascertainable by, the actuary.

-Precept 6

### Collaboration

An actuary shall perform actuarial services with courtesy and professional respect and shall cooperate with others in the principal's interest.

-Precept 10

### Communication

Use reasonable care in expressing opinions involving and related to the performance of my professional duties, and obtain sufficient evidence to warrant an opinion.

-Part 10

### Miscellaneous

Owe a solemn duty to uphold the integrity and honor of my profession and to encourage respect for it. I further agree to promote the continual development of the financial services industry, as well as my respective specialization.

-Part 4

### Compliance

Not have signed, nor will I sign, a consent decree with the Securities and Exchange Commission or any state securities agency or be found guilty nor will I be found guilty in a competent court of jurisdiction or a federal or state regulatory proceeding of any of the following offenses . . .

(See the rest of Part 8 for a list of offenses)

### Compensation

Not specifically addressed in this code. Refer to code for relevant standards of conduct.

### Collaboration

Conduct my personal and business affairs in a manner that does not damage the reputation of my employer. If self-employed, conduct my personal and business affairs in a manner that does not damage the reputation of my company.

-Part 2

### Communication

Use reasonable care in expressing opinions involving and related to the performance of my professional duties, and obtain sufficient evidence to warrant an opinion.

-Part 10

### Miscellaneous

Owe a solemn duty to uphold the integrity and honor of my profession and to encourage respect for it. I further agree to promote the continual development of the financial services industry, as well as my respective specialization.

-Part 4



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### Ethics Matrix 2017 (Continued)

#### AMERICAN BAR ASSOCIATION (ABA)

Model Rules of Professional Conduct / 202-662-1000

[www.americanbar.org/groups/professional\\_responsibility/publications/model\\_rules\\_of\\_professional\\_conduct/model\\_rules\\_of\\_professional\\_conduct\\_table\\_of\\_contents.html](http://www.americanbar.org/groups/professional_responsibility/publications/model_rules_of_professional_conduct/model_rules_of_professional_conduct_table_of_contents.html)

Confidentiality	Conflicts of Interest/ Disclosure	Competence	Compliance
<p>(a) A lawyer shall not reveal information relating to the representation of a client unless the client gives informed consent, the disclosure is impliedly authorized in order to carry out the representation or the disclosure is permitted by paragraph (b).</p> <p>(b) A lawyer may reveal information relating to the representation of a client to the extent the lawyer reasonably believes is necessary . . .</p> <p>(Subject to certain exceptions, which vary from state to state, such as to prevent the client from committing a criminal act.)</p> <p style="text-align: right;">-Rule 1.6</p>	<p>(a) Except as provided in paragraph (b), a lawyer shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if:</p> <p>(1) the representation of one client will be directly adverse to another client; or</p> <p>(2) there is a significant risk that the representation of one or more clients will be materially limited by the lawyer's responsibilities to another client, a former client or a third person or by a personal interest of the lawyer.</p> <p>(b) Notwithstanding the existence of a concurrent conflict of interest under paragraph (a), a lawyer may represent a client if . . .</p> <p style="text-align: right;">-Rule 1.7</p>	<p>A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.</p> <p style="text-align: right;">-Rule 1.1</p>	<p>A lawyer shall not counsel a client to engage, or assist a client, in conduct that the lawyer knows is criminal or fraudulent, but a lawyer may discuss the legal consequences of any proposed course of conduct with a client and may counsel or assist a client to make a good faith effort to determine the validity, scope, meaning or application of the law.</p> <p style="text-align: right;">-Rule 1.2(d)</p>

#### AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (AICPA)

Code of Professional Conduct / As amended, Dec. 15, 2014 / 1-888-7777-7077 / [www.aicpa.org/Research/Standards/CodeofConduct/Pages/default.aspx](http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/default.aspx)

Confidentiality	Conflicts of Interest/ Disclosure	Competence	Compliance
<p>A member in public practice shall not disclose any confidential client information without the specific consent of the client.</p> <p style="text-align: right;">-Rule 1.700.001</p> <p>A member would be considered in violation if the member cannot demonstrate that safeguards were applied that eliminated or reduced significant threats to an acceptable level.</p> <p style="text-align: right;">-Rule 1.700.005</p>	<p>In the performance of any professional service, a member shall maintain objectivity and integrity, shall be free of conflicts of interest and shall not knowingly misrepresent facts or subordinate his or her judgment to others.</p> <p style="text-align: right;">-Rule 1.100.001</p> <p>A member would be considered in violation if the member cannot demonstrate that safeguards were applied that eliminated or reduced significant threats to an acceptable level.</p> <p style="text-align: right;">-Rule 1.100.005</p>	<p>A member shall . . . undertake only those professional services that the member or member's firm can reasonably expect to be completed with professional competence.</p> <p style="text-align: right;">-Rule 1.300.001</p>	<p>A member who performs auditing, review, compilation, management consulting, tax, or other professional services shall comply with standards promulgated by bodies designated by council.</p> <p style="text-align: right;">-Rule 1.310.001</p>



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The scope of the representation and the basis or rate of the fee and expenses for which the client will be responsible shall be communicated to the client, preferably in writing, before or within a reasonable time after commencing the representation, except when the lawyer will charge a regularly represented client on the same basis or rate. Any changes in the basis or rate of the fee or expenses shall also be communicated to the client.

-Rule 1.5(b)

## Collaboration

Not specifically addressed.

## Communication

(a) A lawyer shall:

- (1) promptly inform the client of any decision or circumstance with respect to which the client's informed consent, as defined in Rule 1.0(e), is required by these rules;
- (2) reasonably consult with the client about the means by which the client's objectives are to be accomplished;
- (3) keep the client reasonably informed about the status of the matter;
- (4) promptly comply with reasonable requests for information; and
- (5) consult with the client about any relevant limitation on the lawyer's conduct when the lawyer knows that the client expects assistance not permitted by the Rules of Professional Conduct or other law.

(b) A lawyer shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

-Rule 1.4

## Miscellaneous

A lawyer shall not accept compensation for representing a client from one other than the client unless:

- (1) the client gives informed consent;
- (2) there is no interference with the lawyer's independence of professional judgment or with the client-lawyer relationship; and

(3) information relating to representation of a client is protected as required by Rule 1.6.

## Compensation

A member in public practice shall not:

- a. Perform for a contingent fee any professional services for, or receive such a fee from a client for whom the member or the member's firm performs:
  - i. an audit or review of financial statement, or
  - ii. a compilation ..., or
  - iii. an examination of prospective financial information, or
- b. Prepare an original or amended tax return or claim for a tax refund for a contingent fee for any client.

-Rule 1.510.001

(Limitations and commissions and referral fees. See Rule 1.520.)

## Collaboration

No specific reference in the code. Refer to Preface 0.300.020 indicating that members should exercise sensitive professional and moral judgments in all their activities.

## Communication

No specific provision in the code. Refer to Rule 1.700.060 for disclosure of client information to third parties.

## Miscellaneous

A member shall...obtain sufficient relevant data to afford a reasonable basis for conclusions or recommendations in relation to any professional services performed.

-Rule 2.300.001



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### Ethics Matrix 2017 (Continued)

#### AMERICAN SOCIETY OF APPRAISERS (ASA)

Principles of Appraisal Practice and Code of Ethics / Revised September 2011 / 703-478-2228

[www.appraisers.org/docs/default-source/membership/principles-of-appraisal-practice-and-code-of-ethics.pdf](http://www.appraisers.org/docs/default-source/membership/principles-of-appraisal-practice-and-code-of-ethics.pdf)

Confidentiality	Conflicts of Interest/ Disclosure	Competence	Compliance
<p>The fact that an appraiser has been employed to make an appraisal is a confidential matter.</p> <p>(Contents of appraisal report also confidential.)</p> <p style="text-align: right;">-Section 4.1</p>	<p>The society declares that ... it is unethical and unprofessional for an appraiser to accept an assignment to appraise a property in which he/she has an interest or a contemplated future interest.</p> <p>(Subject to certain exceptions after full disclosure.)</p> <p style="text-align: right;">-Section 7.3</p>	<p>It is not proper for an appraiser to accept an engagement to make an appraisal of a property of a type he is not qualified to appraise ...</p> <p style="text-align: right;">-Section 4.2</p> <p>(See also Section 3.4.)</p>	<p>Not specifically addressed in this code. Refer to code for relevant standards of conduct.</p>

#### THE APPRAISAL FOUNDATION (TAF)

Uniform Standards of Professional Appraisal Practice (USPAP) / Ethics Provision as of Feb. 6, 2015

<https://appraisalfoundation.sharefile.com/document/#preview/fi9f83d7-ebf9-404a-8636-fa8d36bb0664/s2ee69286fc545069>

Confidentiality	Conflicts of Interest/ Disclosure	Competence	Compliance
<p>An appraiser must protect the confidential nature of the appraiser-client relationship.</p> <p style="text-align: right;">-Ethics Rule Confidentiality Section</p>	<p>Not specifically addressed in this code. Refer to code for relevant standards of conduct.</p>	<p>Not specifically addressed in this code. Refer to code for relevant standards of conduct.</p>	<p>Not specifically addressed in this code. Refer to code for relevant standards of conduct.</p>



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### Compensation

... the society declares that the contracting for or acceptance of any such contingent fee is unethical and unprofessional.

(Similar restriction of commission finder's and referral fees.)

-Section 7.1

(See also Section 7.2 regarding percentage fees.)

### Collaboration

Collaboration between appraisers is desirable, in some situations, to expedite the completion of work and, in other situations, to obtain the benefits of combined judgment or combined data.

-Section 6.10

(See also Section 6.4.)

### Communication

Not specifically addressed in this code. Refer to Sections 3 and 4 for specific elements of communication.

### Miscellaneous

Advocacy, as here described, affects adversely the establishment and maintenance of trust and confidence, and the society declares that it is unethical and unprofessional.

-Section 7.5

### Compensation

Not specifically addressed in this code. Refer to code for relevant standards of conduct.

### Collaboration

Not specifically addressed within the foundation's documents. It appears to be left to the individual associations.

### Communication

Not specifically addressed within the foundation's documents. It appears to be left to the individual associations.

### Miscellaneous

An appraiser must prepare a workfile for each appraisal or appraisal review assignment. A workfile must be in existence prior to the issuance of any report. A written summary of an oral report must be added to the workfile within a reasonable time after the issuance of the oral report.

-Ethics Rule: Record Keeping Section



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### Ethics Matrix 2017 (Continued)

#### CHARTERED FINANCIAL ANALYSIS (CFA) INSTITUTE

Code of Ethics and Standards of Professional Conduct / (For individual investment professionals who are members of CFA Institute—Mandatory) / 434-951-5314  
[www.cfapubs.org/doi/pdf/10.2469/ccb.v2014.n6.1](http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2014.n6.1)

Confidentiality	Conflicts of Interest/ Disclosure	Competence
<p>Members and candidates must keep information about current, former, and prospective clients confidential unless:</p> <p>(1) the information concerns illegal activities on the part of the client or prospective client;</p> <p>(2) disclosure is required by law; or</p> <p>(3) the client or prospective client permits disclosure of the information.</p> <p>-Standard III-E</p>	<p>Members and candidates must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to clients, prospective clients and their employer. Member and candidates must ensure that such disclosures are prominent, are delivered in plain language and communicate the relevant information effectively.</p> <p>-Standard VI-A</p> <p>Members and candidates must use reasonable judgment in identifying which factors are important ... include those factors in communication with clients and prospective clients.</p> <p>-Standard V-B</p> <p>Members and candidates must disclose to their employer, clients and prospective clients, as appropriate, any compensation, consideration or benefit received from, or paid to others, for the recommendation of products or services.</p> <p>-Standard VI-C</p>	<p>Members and candidates must act with integrity, competence, diligence, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.</p> <p>-Code of Ethics</p> <p>Members and candidates must maintain and improve their professional competence and strive to maintain and improve the competence of other professionals.</p> <p>-Code of Ethics</p> <p>Members and candidates must:</p> <p>(1) Exercise diligence, independence, and thoroughness in analyzing investments, making investment recommendations, and taking investment actions.</p> <p>(2) Have a reasonable and adequate basis, supported by appropriate research and investigation, for any investment analysis, recommendation or action.</p> <p>-Standard V-A</p>

#### ASSOCIATION OF FUNDRAISING PROFESSIONALS (AFP)

Code of Ethical Principles and Standards of Professional Practice / Amended October 2014 / 703-519-8440 / [www.afpnet.org/files/ContentDocuments/CodeofEthics.pdf](http://www.afpnet.org/files/ContentDocuments/CodeofEthics.pdf)

Confidentiality	Conflicts of Interest/ Disclosure	Competence
<p>Members shall not engage in activities that harm the members' organizations, clients or profession or knowingly bring the profession into disrepute.</p> <p>-Standard 1</p> <p>Members shall not disclose privileged or confidential information to unauthorized parties.</p> <p>-Standard 17</p> <p>Members shall protect the confidentiality of all privileged information relating to the provider/client relationships.</p> <p>-Standard 10</p>	<p>Members shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.</p> <p>-Standard 3</p> <p>Members shall not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.</p> <p>-Standard 2</p>	<p>Members shall recognize their individual boundaries of professional competence.</p> <p>-Standard 6</p>



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Compliance	Compensation	Collaboration	Communication	Miscellaneous
<p>Members and candidates must understand and comply with all applicable laws, rules and regulations of any government, regulatory organization, licensing agency or professional association governing their professional activities.</p>	<p>Members and candidates must not accept gifts, benefits, compensation or consideration that competes with ... their employer's interest unless they obtain written consent from all parties involved.</p>	<p>Members and candidates have a duty of loyalty to their clients and must act with reasonable care and exercise prudent judgment. Members and candidates must act for the benefit of their clients and place their clients' interests before their own interests.</p>	<p>Members and candidates must not knowingly make any misrepresentations relating to investment analysis, recommendations, actions or other professional activities.</p>	<p>Members and candidates who possess material nonpublic information that could affect the value of an investment must not act or cause others to act on the information.</p>
<p>-Standard I-A</p>	<p>-Standard IV</p>	<p>-Standard III-A</p>	<p>-Standard I-C</p>	<p>-Standard II-A</p>
<p>Members and candidates must not engage in any conduct that compromises the reputation or integrity of CFA Institute or the CFA designation or the integrity, validity, or security of the CFA Institute programs.</p>			<p>When communicating investment performance information, members and candidates must make reasonable efforts to ensure that it is fair, accurate and complete.</p>	
<p>-Standard VII-A</p>			<p>-Standard III-D</p>	
			<p>Members and candidates must disclose to clients the basic format and general principles of the investment process they use to analyze investments, select securities and construct portfolios and must promptly disclose any changes that might materially affect those processes.</p>	
			<p>-Standard V-B(1)</p>	
			<p>Members and candidates must disclose to clients and prospective clients significant limitations and risks associated with the investment process.</p>	
			<p>-Standard V-B(2)</p>	

Compliance	Compensation	Collaboration	Communication	Miscellaneous
<p>Members shall comply with all applicable local, state, provincial, federal, civil and criminal laws.</p>	<p>Members shall not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees.</p>	<p>Members shall never knowingly infringe the intellectual property rights of other parties.</p>	<p>Members shall present and supply products and/or services honestly and without misrepresentation.</p>	
<p>-Standard 5</p>	<p>-Standard 21</p>	<p>-Standard 9</p>	<p>-Standard 7</p>	
	<p>Members shall be permitted to accept performance-based compensation, such as bonuses, only if such bonuses are in accord with prevailing practices within the members' own organizations and are not based on percentage of contributions.</p>	<p>Members shall establish the nature and purpose of any contractual relationship at the outset and be responsive and available to parties before, during and after any sale of materials and/or services.</p>	<p>Members shall ensure that all solicitation and communication materials are accurate and correctly reflect their organization's mission and use of solicited funds.</p>	
	<p>-Standard 22</p>	<p>-Standard 8</p>	<p>-Standard 12</p>	
			<p>Members shall take care to ensure that donors receive information and ethical advice about the value and tax implications of contributions.</p>	
			<p>-Standard 13</p>	



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### Ethics Matrix 2017 (Continued)

#### CERTIFIED FINANCIAL PLANNER (CFP) BOARD OF STANDARDS, INC.

Rules of Conduct / Amended July 1, 2008 / 202-379-2200

<http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/standards-of-professional-conduct/rules-of-conduct>

##### Confidentiality

A certificant shall treat information as confidential except as required in response to proper legal process; as necessitated by obligations to a certificant's employer or partners; as required to defend against charges of wrongdoing; in connection with a civil dispute; or as needed to perform the services.

A certificant shall take prudent steps to protect the security of information and property, including the security of stored information, whether physically or electronically, that is within the certificant's control.

-Rules 3.1 and 3.2

##### Conflicts of Interest/ Disclosure

A certificant shall disclose to a prospective client or client the following information:

a. A general summary of likely conflicts of interest between the client and the certificant, the certificant's employer or any affiliates or third parties, including, but not limited to, information about any familial, contractual or agency relationship of the certificant or the certificant's employer that has a potential to materially affect the relationship.

b. Any information about the certificant or the certificant's employer that could reasonably be expected to materially affect the client's decision to engage the certificant that the client might reasonably want to know in establishing the scope and nature of the relationship, including but not limited to information about the certificant's areas of expertise.

The certificant shall timely disclose to the client any material changes to the above information.

-Rule 2.2

##### Competence

A certificant shall offer advice only in those areas in which he or she is competent to do so and shall maintain competence in all areas in which he or she is engaged to provide professional services.

-Rule 4.2

##### Compliance

A certificant shall be in compliance with applicable regulatory requirements governing professional services provided to the client.

A certificant who is an employee/agent shall perform professional services with dedication to the lawful objectives of the employer/principal and in accordance with CFP board's Code of Ethics.

-Rules 4.3 and 5.1

#### FINANCIAL PLANNING ASSOCIATION (FPA)

Code of Ethics / 1-800-322-4237 / [www.plannersearch.org](http://www.plannersearch.org); [www.fpanet.org](http://www.fpanet.org); [www.onefpa.org](http://www.onefpa.org)

Effective Jan. 1, 2016 the FPA, a voluntary professional membership association, shifted its policy to require its members to follow the CFP standards. See CFP standards noted above. Non-CFP institutional and individual members are subject to ethics processes and legal requirements of their professional credentialing organizations, self-regulatory organizations or state or federal regulatory or law enforcement agencies, and the FPA will use those regulatory bodies.

#### NATIONAL ASSOCIATION OF CERTIFIED VALUATORS AND ANALYSTS (NACVA)

NACVA Professional Standards—General and Ethical Standards / For engagements after Aug. 1, 2015, effective June 1, 2017 / 801-486-0600 / <http://nacva.com/standards>

##### Confidentiality

Unless required to do so by a competent legal authority, a member shall not disclose any confidential client information to a third party without first obtaining the express consent of the client.

-Rule II G

##### Conflicts of Interest/ Disclosure

A member shall not express a conclusion of value for a calculated value unless the member and the member's firm state either of the following:

1. "I (We) have no financial interest or contemplated financial interest in the subject of this report;" or
2. "I (We) have a (specify) financial interest or contemplated financial interest in the subject of this report."

-Rule II K

##### Competence

A member shall only accept engagements the member can reasonably expect to complete with a high degree of professional competence. If a member lacks the knowledge and/or experience to complete such engagements with a high degree of professional competence, the member is not precluded from performing such engagements. In such instance, the member must take steps necessary to gain such expertise through additional research and/or consultation with other professionals believed to have such knowledge and/or experience prior to completion of such engagements.

-Rule II B

##### Compliance

A member shall not commit any act discreditable to the profession.

-Rule II H



## FEATURE: THE MODERN PRACTICE

### Compensation

If the certificant's services include financial planning or material elements of financial planning, prior to entering into an agreement, the certificant shall provide written information or discuss with the prospective client or client the following:

- a. Compensation that any party to the agreement or any legal affiliate to a party to the agreement will or could receive under the terms of the agreement; and factors or terms that determine costs, how decisions benefit the certificant and the relative benefit to the certificant.

A certificant shall disclose to a prospective client or client the following information:  
a. An accurate and understandable description of the compensation arrangements being offered. This description must include:

- i. Information related to costs and compensation to the certificant and/or the certificant's employer, and
- ii. Terms under which the certificant and/or the certificant's employer may receive any other sources of compensation, and if so, what the sources of these payments are and on what they are based.

-Rules 1.2 and 2.2

### Collaboration

The certificant and the prospective client or client shall mutually agree upon the services to be provided by the certificant.

-Rule 1.2

### Communication

A certificant shall not communicate, directly or indirectly, to clients or prospective clients any false or misleading information directly or indirectly related to the certificant's professional qualifications or services. A certificant shall not mislead any parties about the potential benefits of the certificant's service. A certificant shall not fail to disclose or otherwise omit facts where that disclosure is necessary to avoid misleading clients.

A certificant shall advise his or her current clients of any certification suspension or revocation he or she receives from CFP board.

-Rules 2.1 and 4.7

### Miscellaneous

A certificant shall at all times place the interest of the client ahead of his or her own. When the certificant provides financial planning or material elements of financial planning, the certificant owes to the client the duty of care of a fiduciary as defined by CFP board.

A certificant shall treat prospective clients and clients fairly and provide professional services with integrity and objectivity.

A certificant shall exercise reasonable and prudent professional judgment in providing professional services to clients.

-Rules 1.4, 4.1 and 4.4

### Compensation

Not specifically addressed, but see Rule II K regarding financial interests in the subject of a report.

### Collaboration

A member must exercise due professional care in the performance of services, including completing sufficient research and obtaining adequate documentation.

-Rule II C

### Communication

A member shall establish with the client a written or oral understanding of the nature, scope, and limitations of services to be performed and the responsibilities of the parties. If circumstances encountered during the engagement require a significant change in those understandings, the member shall notify the client. A member shall inform the client of conflicts of interest, significant reservations concerning the scope or benefits of the engagement, and significant engagement findings or events.

-Rule II D

### Miscellaneous

A member shall remain objective, maintain professional integrity, shall not knowingly misrepresent facts, or subrogate judgment to others. The member must not act in a manner that is misleading or fraudulent.

-Rule II A

A member shall serve the client interest by seeking to accomplish the objectives established with the client, while maintaining integrity and objectivity.

-Rule II I



## FEATURE: THE MODERN PRACTICE

### Ethics Matrix 2017 (Continued)

#### INTERNATIONAL ASSOCIATION FOR FINANCIAL PLANNING (IAFP)

merged with

#### FINANCIAL PLANNING ASSOCIATION (FPA)

Code of Professional Ethics / 1-800-322-4237 / [www.plannersearch.org](http://www.plannersearch.org); [www.fpanet.org](http://www.fpanet.org); [www.onefpa.org](http://www.onefpa.org)

Effective Jan. 1, 2016 the FPA, a voluntary professional membership association, shifted its policy to require its members to follow the CFP standards. See CFP standards noted above. Non-CFP institutional and individual members are subject to ethics processes and legal requirements of their professional credentialing organizations, self-regulatory organizations or state or federal regulatory or law enforcement agencies, and the FPA will use those regulatory bodies.

#### MILLION DOLLAR ROUND TABLE (MDRT)

Code of Ethics / See also expanded Code of Ethics / 847-692-6378 / [www.mdrt.org/membership/requirements/](http://www.mdrt.org/membership/requirements/)

##### Confidentiality

Members shall:

Hold in the strictest confidence, and consider as privileged, all business and personal information pertaining to their clients' affairs.

-Part 3

##### Conflicts of Interest/ Disclosure

Members shall:

Always place the best interests of their clients above their own direct or indirect interests.

-Part 1

##### Competence

Members shall:

Maintain the highest standards of professional competence and give the best possible advice to clients by seeking to maintain and improve professional knowledge, skills and competence.

-Part 2

##### Compliance

Members shall:

Abide by and conform to all provisions of the laws and regulations in the jurisdictions in which they do business.

-Part 7

#### NATIONAL ASSOCIATION OF LIFE UNDERWRITERS (NALU)

changed to

#### NATIONAL ASSOCIATION OF INSURANCE & FINANCIAL ADVISORS (NAIFA)

Code of Ethics / 877-866-2432 / Adopted July 2012 / [www.naifa.org/about-naifa/code-of-ethics](http://www.naifa.org/about-naifa/code-of-ethics)

##### Confidentiality

To help maintain my clients' confidences and protect their right to privacy.

-Section 1

##### Conflicts of Interest/ Disclosure

To present, accurately and honestly, all facts essential to my clients' financial decisions.

-Section 3

##### Competence

To continually enhance professionalism by developing my skills and increasing my knowledge through education.

-Section 5

##### Compliance

To obey the letter and spirit of all laws and regulations which govern my profession.

-Section 6

#### NATIONAL ASSOCIATION OF CHARITABLE GIFT PLANNERS (CGP)

formerly

#### PARTNERSHIP FOR PHILANTHROPIC PLANNING (PPP)

Model Standards of Practice for the Charitable Gift Planner / Revised April 1999 / 317-269-6274 / <https://charitablegiftplanners.org/standards/>

##### Confidentiality

Not specifically addressed in this code. Refer to code for relevant standards of conduct.

##### Conflicts of Interest/ Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor.

-Section III

##### Competence

The gift planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified.

-Section V

##### Compliance

A gift planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

-Section IX



## FEATURE: THE MODERN PRACTICE

### Compensation

Not specifically addressed in the code; however, members shall:

Make full and adequate disclosure of all facts necessary to enable clients to make informed decisions.

-Part 4

### Collaboration

Members shall:

Maintain personal conduct that will reflect favorably on the insurance and financial services profession and the MDRT.

-Part 5

### Communication

Not specifically addressed in the code; however, members shall:

Hold in the strictest confidence, and consider as privileged, all business and personal information pertaining to their clients' affairs.

-Part 3

### Miscellaneous

Members shall:

Determine that any replacement of an insurance or financial product must be beneficial for the client.

-Part 6

### Compensation

To conduct all business dealings in a manner that would reflect favorably on NAIFA and my profession.

-Section 7

### Collaboration

To cooperate with others whose services best promote the interests of my clients.

-Section 8

### Communication

Not specifically addressed in this code.

### Miscellaneous

To work diligently to satisfy the needs of clients and to render timely and proper service to my clients and ultimately their beneficiaries.

-Sections 2, 4 and 8

### Compensation

Compensation paid to gift planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent gift planner as a condition for the delivery of a gift are never appropriate.

-Section IV

### Collaboration

Not specifically addressed in this code. Refer to code for relevant standards of conduct.

### Communication

Not specifically addressed in this code. Refer to code for relevant standards of conduct.

### Miscellaneous

A gift planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.

-Section VI



## FEATURE: THE MODERN PRACTICE

### Ethics Matrix 2017 (Continued)

#### SOCIETY OF FINANCIAL SERVICE PROFESSIONALS (FSP)

formerly

#### AMERICAN SOCIETY OF CHARTERED LIFE UNDERWRITERS (CLU) and CHARTERED FINANCIAL CONSULTANTS (ChFC)

Code of Professional Responsibility / 610-526-2500 / [www.financialpro.org/public/code\\_resp.cfm](http://www.financialpro.org/public/code_resp.cfm)

##### Confidentiality

A member shall respect and safeguard the confidentiality of sensitive client information obtained in the course of professional activities.

-Canon 3  
-Rule R3.1

##### Conflicts of Interest/ Disclosure

A member shall perform services in a manner that respects the interests of all those he/she serves, including clients, principals, partners, employees and employers. A member shall disclose conflicts of interest in providing such services.

-Canon 1

##### Competence

A member shall maintain and advance his/her knowledge in all areas of financial service in which he/she is engaged and shall participate in continuing education programs throughout his/her career.

-Canon 2  
-Rule R2.1

A member shall refrain from giving advice in areas beyond the member's own expertise.

-Rule R2.2

##### Compliance

A member has the duty to know and abide by the local, state, and national laws and regulations and all legal limitations pertaining to the member's professional activities.

-Rule R6.1

#### NATIONAL ASSOCIATION OF PERSONAL FINANCIAL ADVISORS (NAPFA)

Code of Ethics / 1-800-366-2732 / [www.napfa.org/about/CodeofEthics.asp](http://www.napfa.org/about/CodeofEthics.asp)

##### Confidentiality

NAPFA members shall keep all client data private unless authorization is received from the client to share it. NAPFA members shall treat all documents with care and take care when disposing of them. Relations with clients shall be kept private.

##### Conflicts of Interest/ Disclosure

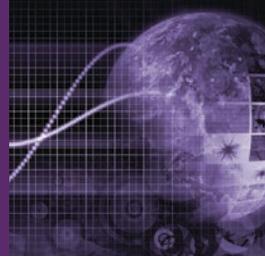
Dealings and recommendation with clients will always be in the client's best interests. NAPFA members put their clients first.

##### Competence

NAPFA members shall strive to maintain a high level of knowledge and ability. Members shall attain continuing education at least at the minimum level required by NAPFA. Members shall not provide advice in areas where they are not capable.

##### Compliance

NAPFA members will strive to maintain conformity with legal regulations.



## FEATURE: THE MODERN PRACTICE

### Compensation

Not specifically addressed in this code. Refer to code for relevant standards of conduct.

However, a member shall provide professional services with integrity and shall place the client's interest above his/her own. Integrity involves honesty and trust. A professional's honesty and candor should not be subordinate to personal gain or advantage. To be dishonest with others is to use them for one's own purposes.

-Canon 4

See also Rule 1.3 and Application A1.3a, which require disclosure of compensation under certain circumstances.

### Collaboration

A member shall assist in raising professional standards in the financial services industry. A member's conduct in all matters shall reflect credit upon the financial services profession. A member has an obligation to cooperate with society members, and other financial service professionals, to enhance and maintain the profession's public image and to work together to improve the quality of services rendered.

-Canon 6

### Communication

A member shall not divulge such information without specific consent of the client, unless disclosure of such information is required by law or necessary in order to discharge legitimate professional duties.

-Canon 3

### Miscellaneous

A member shall act with patience, timeliness, and consistency in the fulfillment of his/her professional duties.

-Canon 5

### Compensation

NAPFA members shall fully describe method of compensation and potential conflicts of interest to clients and also specify the total cost of investments.

### Collaboration

A NAPFA member would be held to the practice standards of their designating body. For example, if the member is a CFP professional he or she must abide by the CFP board's professional standard related to this area and any relevant state or federal laws.

### Communication

A NAPFA member would be held to the practice standards of their designating body. For example, if the member is a CFP professional he or she must abide by the CFP board's professional standard related to this area and any relevant state or federal laws.

### Miscellaneous

Objectivity: NAPFA members strive to be as unbiased as possible in providing advice to clients and NAPFA members practice on a fee-only basis.

—Ethics Committee of the Philadelphia Estate Planning Council