



**GUERNSEY FINANCIAL SERVICES COMMISSION**

**PRINCIPLES OF CONDUCT  
OF FINANCE BUSINESS**

**INTEGRITY**

**1** A financial institution should observe high standards of integrity and fair dealing in the conduct of its business.

**SKILL, CARE AND DILIGENCE**

**2** A financial institution should act with due skill, care and diligence towards its customers and counterparties.

**CONFLICTS OF INTEREST**

**3** A financial institution should either avoid any conflict of interest arising or, where a conflict arises, should ensure fair treatment to all its customers by disclosure, internal rules of confidentiality, declining to act, or otherwise. A financial institution should not unfairly place its interests above those of its customers and, where a properly informed customer would reasonably expect that the financial institution would place his interests above its own, the financial institution should live up to that expectation.

**INFORMATION ABOUT CUSTOMERS**

**4** A financial institution should seek from customers it advises or for whom it exercises discretion any information about their circumstances and investment objectives which might reasonably be expected to be relevant in enabling it to fulfil its responsibilities to them.

**INFORMATION FOR CUSTOMERS**

**5** A financial institution should take reasonable steps to give a customer it advises, in a comprehensible and timely way, any information needed to enable him to make a balanced and informed decision. A financial institution should similarly be ready to provide a customer with a full and fair account of the fulfilment of its responsibilities to him.

**CUSTOMER ASSETS**

**6** Where a financial institution has control of or is otherwise responsible for assets belonging to a customer which it is required to safeguard, it should arrange proper protection for them, by way of segregation and identification of those assets or otherwise, in accordance with the responsibility it has accepted.

**MARKET PRACTICE**

**7** A financial institution should observe high standards of market conduct, and should also comply with any code of standard as in force from time to time and issued or approved by the Commission.

**FINANCIAL RESOURCES**

**8** A financial institution should ensure that it maintains adequate financial resources to meet its finance business commitments and to withstand the risks to which its business is subject.

**INTERNAL ORGANISATION**

**9** A financial institution should organise and control its internal affairs in a responsible manner, keeping proper records, and where the financial institution employs staff or is responsible for the conduct of finance business by others, should have adequate arrangements to ensure that they are suitable, adequately trained and properly supervised and that it has well-defined compliance procedures.

**RELATIONS WITH GUERNSEY  
FINANCIAL SERVICES COMMISSION**

**10** A financial institution should deal with the Commission in an open and co-operative manner and keep the Commission promptly informed of anything concerning the financial institution which might reasonably be expected to be disclosed to it.