

Chapter 3

Ethics and Professionalism

Chapter Objectives

Students must be able to:

- Distinguish Ethics and Justice
- Explain the Dynamics Surrounding Personal Decision Making
- Explain the Appropriateness of The Doctrine of 'Caveat Emptor'
- Explain the Meaning of 'Professionalism'
- Explain the Quality of 'Altruism' in Financial Planners
- Explain the Need for a Professional Association
- Explain the Importance of Independence in Financial Planning
- Explain the Need for Continuing Professional Education
- Briefly Describe the MFPC Code of Ethics, Professional Obligations and Standards Of Practice

Chapter 3

Ethics and Professionalism

Introduction

Ethics and professionalism are values very important to financial planners. Criminal acts are often physical and can be identified and detected easily. It may be that the perpetrators may escape punishment but the crime is evident. However, white collar crimes and unethical practices and behaviors are difficult to detect and often go unpunished. It is useful to wonder how someone may act unethically or unprofessionally. It has therefore become important to define the terms, ethical and professional.

Ethics and Justice

The dictionary defines ethics as “the study of the general nature of morals and of the specific moral choices to be made by the individual in his relationship with others. Ethics is often confused with justice. Justice is defined in the dictionary as “conformity to moral right or to reason, truth or fact” or “the administration of law”.

The philosopher and humanitarian L Ron Hubbard had stated that ethics and justice are separate things. He defines ethics in the following manner. “Ethics consists simply of the actions an individual takes on himself. It is a personal thing. When one is ethical or “has his ethics in,” it is by his own determinism and is done by himself.

He defines justice as” the action taken on the individual by the group when he fails to take these actions himself.”

These definitions make it clear that ethics is more important and precedes justice. When people are ethical there is no need for the long arm of the law to take justice actions. Justice is only dispensed when people have acted unethically. Ethics contributes to survival and it is ‘reason’. Man’s greatest weapon is his reason. He uses this to survive. I dare say much ‘reason’ is missing in the world today. Rather than reason we allow our prejudices and biases to dominate our actions and thoughts.

How Does One Act Ethically?

So the question is how does a financial planners act ethically and how does it aid his survival. Or do we succumb to what seems to be happening in today’s environment; with the view that; as long as I am not caught, or catch me if you can, or prove to the court that I have done something wrong.

Can 'justice' catch up with these elements? Those are justice actions. But being ethical is a higher calling. We act ethically to survive better. We act with reason so that the benefit is more pervasive to all concerned. It brings benefit to more than one human dynamic.

Dynamics of Life

It becomes necessary to realize that we live in a society with numerous dynamics or urges to survive. Firstly we try to survive as an individual. We act in the best interest of our own self. Secondly we try to act in the best interest of our family. We then join and belong to various groups and try to maximize the survival of all the groups that we belong to. Then there is the mankind issue, the physical universe, the animal kingdom and ultimately our relationship with God himself. Therefore we should realize that every action we take must be in alignment with as many dynamics of life as possible. Serving only your interest at the expense of family or your group or your country is not ethical which will ultimately bring chaos and destruction. Ethics has far reaching consequences and the whole society must heed its power in bringing about survival. Right now we just need to understand what ethical behavior is for a financial planner.

Client-Planner Relationship

In his relationship with his client, whose interest does a planner protect or enhance? Is it his own interest or is it the interest of his supplier or principal or is it the interest of his client. A text book reply would be that the interest of the client should be paramount. But is that really the case? There are ethical issues confronting a planner here. The products he recommends may be biased based on commissions to be earned. The product may not be the best possible product for the time being based on affordability and urgency. Alternatives which are less costly to the client but rewards no commissions to the planner may be overlooked. Not all the products are laid on the table. Competitors' products are not laid on the table. The manufacturer has tied the agent to just his company's products. A proper study of the financial circumstances of the client is not done. The client's other and equally important goals are not considered. Products beyond the comprehension and risk profile of the client are recommended as new products come with a commission tag higher than the usual remuneration. Alternatives are not studied. All these and other issues surface in financial planning activity. Not all the issues are solved by legal considerations. Acting within the law may not wholly include ethics. The financial planning industry has not even solved the issue of tied agency. Independent financial planning which involves neutrality of products and the choice of the best products available at the time from the whole industry has not been universally accepted. The progress toward planning preceding the product solution has not reached every case. Therefore there are plenty of issues relating to ethical conduct and we are slowly making progress in bringing about a practical solution that will satisfy all parties and benefit all parties.

Client Satisfaction

Everybody has a role to play. Perhaps from the economic sense there will be an equilibrium position where super profits will give in to ordinary profits but the society as a whole will benefit. The basic tenet is the client comes first and it is his interest that should be paramount. But the

reality is product manufacturers want loyalty and their agents to focus on their own products. They sign contracts to tie the agent to their stable of products and services. Is this really an out ethics situation? Are the public concerned that they are not receiving independent advice and are not being served in their best interest? If there are many such outpoints then the industry will have to reorganize and allow for changes. But as long as customers are being satisfied and as long as they are allowed to make informed decisions then the industry will continue to survive. But if there is harm happening the people would not be fooled for long and they will start demanding more ethical and professional behavior. The regulators are the watchdogs who have to protect the interest of the public. It is so clear to see that at the present moment Ethics and Justice are in a combative mode. Manufacturers and agents are saying that they are not doing anything wrong under the law, as set by the regulators, in the current scenario. But ethics is an internal discipline. It is your conscience that guides you from right and wrong. It is not the same thing as saying I am acting within the letters of the law. Law and ethics are different things.

Caveat Emptor

Buyers beware, 'caveat emptor', is an outmoded and unethical slogan. Only the business community is adopting this practice much to the detriment of the buying public. Ethics is being sidelined by this doctrine. In financial planning we cannot say buyers beware. The society must advance in their thinking and consciousness to make this rule unacceptable in financial planning. But Rome was not built in one day. We are making progress. If ethics is reason then it makes sense to be ethical as then the buying public will believe in the planners and make financial planning a vibrant activity where everyone can survive better. Ethics is at the core of our survival. The law of the fittest, winners takes all will only allow the superpowers to feast on the minnows. Everyone should be able to survive. Perhaps the issue of professionalism is much easier to understand. Let us now look at the issue of professionalism.

Professionalism

Who is a professional? Without getting too technical we can understand that a professional practices a profession. What can be considered a profession? Common understanding would include doctors, lawyers, accountants, dentists and engineers. Often the term 'learned profession' is used to indicate a profession. Slightly lower in status and reward would be the term 'vocation'. A vocation is something you do for a living. Examples would include carpenters, mechanics, plumbers and other tradesmen. Distinguishing the terms profession or vocation is therefore quite intricate. A profession involves the use of the mental faculty a lot while in a vocation manual skills are predominant. There are several characteristics that are identified with a 'profession'. All or most of them are necessary to earn the title 'a learned profession'.

1. A commitment to high ethical standards
2. A prevailing attitude of altruism
3. Mandatory educational preparation or training.
4. Mandatory continuing education

5. A formal Association or Society
6. Independence
7. Public recognition as a profession

These seven characteristics actually make a lot of sense and we can measure the profession of financial planning with these seven characteristics. As mentioned earlier ethical standards are important to earn the confidence and respect of the public. We cannot rely on legislation to make us a professional. Our high ethical standards make us a professional.

Altruism

Altruism is defined as “an unselfish concern for the welfare of others.” This is opposite to being self centered, interested in only yourself. Financial planning is a noble profession as it involves primarily the solution of financial concerns, even distress and the achievement of client goals and objectives. Helping others comes first. Of course it does not mean doing things for free. You are remunerated adequately but helping others is at the heart of things, your professional interest. While not everyone will obey this characteristic it must be a prevailing attitude for the profession to survive.

Education and Training

Mandatory education and training is accepted as a prerequisite to undertake this profession. You are doing this module for that reason. Mandatory continuing education is also important to keep you current with the changing environment and the evolving profession. In financial planning, financial market economics keeps us busy and we have to be up to date with market information. Products and markets are changing in the international marketplace. Continuing professional development is a necessity and has become mandatory.

Professional Association

Having a professional association is important for the profession. The Malaysian Financial Planning Council for example promotes the profession of financial planning to the public at large. It helps in developing curriculum and setting the standards for the practice of financial planning. Financial planners have a forum to discuss and develop the industry. The public have also a place to take their complaints to. For this reason the regulators have insisted that a financial planning designee should belong to an association or society. MFPC is that association for RFP designation holders.

Independence

Independence is a very important topic but there may perhaps be many viewpoints to this important characteristic. Independence means different things to different professions. Public accountants are expected to be independent from the client so that they can report a fair and proper view of the accounts of the client to the other stakeholders like the shareholders and the creditors. They

should not be influenced by the client and lead the public stakeholders astray. Enron and World.com and the consequences to Arthur Anderson are well documented in the American business history. Lawyers on the other hand are very much loyal to their client to the extent that they do not even judge their clients but instead do their very best to represent them and free them or win them their case. Financial planners are expected to focus and advice in the best interest of their clients. This means their loyalty is to the client and not to the product manufacturers or themselves. They do not seek the best remuneration for themselves or serve a particular manufacturer unless it is in the best interest of the client. This is a hard act to follow especially if you are tied to one agency. The question that remains is, "if you represent just one company do you lose your independence?" It may be true that you lose your independence but is that the most important consideration in serving a client.

Generic products have a role to play, especially if the product has the quality and performance of the best in the industry. When product performance is very close to each other the debacle of independence is not that big an issue. But the question does not arise anymore as the regulators have introduced legislation that takes into account the need for multi-product and multi-vendor representation. We have the CUTA and the Financial Adviser license to represent many product vendors. The regulations have stated that only licensed professionals can call themselves financial planners or advisers. This approach has and will put a stop to agents calling themselves financial planners. Agents will remain insurance agents or unit trust agents until they get their financial planning license.

Public Recognition and Acceptance

Public recognition as a profession will take some doing. In the past when everyone called themselves financial planners there was a hue and cry about the loose definition of financial planners. The current legislation has put a stop to this abuse of the term financial planners. However, the number of licensed financial advisers and planners are very small to cover the population and undertake financial planning in sufficient volumes. There is a need to increase the number of licensed financial planners. Hence your registration and study of this module is a very important first step. The public must discover the benefit of doing financial planning. They must see value and be impressed with the process and feel really happy and pleased with the output and the impact the financial planners have made to their lives. All the characteristics implied by a learned profession will come to bear and we will see the evolution of a true new profession. People will seek financial planners as they would a doctor or a lawyer. With this recognition even product vendors will readily use this channel for placement of products.

Summary

It is a legal requirement that you complete a course of seven modules to qualify as an RFP designee. There is tremendous education required to carry out financial planning and the education never stops. It is therefore very clear that financial planning is a profession. It must be distinguished from a sales career. The ability to write plans and advice people on financial matters qualifies you as a professional person. There is continuous learning and improvement in a profession. But we must take heart that this is a new profession. The financial planners have yet to prove themselves to the

public. Currently many sales persons are saying they are dealing in financial products that helps clients financially and therefore they are financial planners and therefore they are professionals. The current legislation has strictly forbidden anyone from claiming themselves to be financial planners or advisers without the requisite license. This has become a regulated profession.

It is also important to state that qualifications alone do not make you a professional. A person with the requisite qualification but who does not practice will not be considered as exercising a profession. You must practice the profession. A financial planner is one who writes plans and advises people on solving financial concerns. A person with an RFP designation but who handles just products like insurance or unit trust cannot be called a financial planner. His is a sales vocation. He handles a financial product but he is not a financial planner. But a person can specialize in a particular area like insurance or investment, have the necessary license and qualification and still be a professional by the conduct of his practice. A financial planner writes a plan to achieve various objectives and he may specialize in a particular area. But he makes sure there is a plan written and he also monitors the plan. He fact-finds the client's current situation and makes appropriate recommendation to achieve a particular objective. His plan will specifically state that he is only addressing a specific area.

A Sales Professional

Sales especially in insurance have been regarded as a noble profession by the industry. But there has been a radical change in the way we see things. Sales are loosely called a profession. However, with the evolution of financial planning we must stop calling sales people a professional. It is more descriptive and would not hold up to a technical definition. People who are tied agents are either insurance agents or unit trust agents.

They can be very professional about it but they are not a true profession. It is time the industry helped the public understand the difference between someone in sales and someone who practices financial planning. This can be hard when even the regulation are quite vague and mixes financial planning with specific products. This is where ethics comes in. How you represent yourself is an ethical issue.

MFPC Code of Ethics and Professionalism

As an association of financial planners the Malaysian Financial Planning Council has identified a code of practice. It has outlined various ethical issues and steps that a RFP should adopt and practice. It is good to have an understanding of what ethical practice standards are. However, these are codified as a general rule. The individual himself must apply ethics by his own volition or determinism. His conscience will tell him whether he is acting ethically. But should he fail to act ethically there are disciplinary procedures that a self regulating profession can administer. The penalty for flouting legislation is quite punitive, running into millions. These are prescribed by law. But when a rule is broken in a standards code the penalty is less severe.

Let us look at how the code of conduct and practice is set by the MFPC. These are presented here for creating awareness of how professional standards and codes of practice are set. When

students reach the capstone Module 7 they will need to understand the code of ethics and practice standards as they are about to join the financial planning fraternity.

The MFPC Code of Ethics and Practice Standards are Presented in the following Format:

1. The Certification and Continuing Professional Development Committee.
2. Professional Guidelines for RFP Certificants and Designees
3. Guidelines for the Conferment and Usage of the RFP Designation
4. Continuing Professional Development Guidelines
5. RFP Code of Ethics, Professional Obligations and Practice Standards
6. The Code of Ethics (COE)
7. The RFP Practice Standards
8. Guidelines on the Handling of Complaints and Violations by RFP Designees.

These guidelines indicate the importance and seriousness of adopting a code of ethics and practice standards. In order to gain public acceptance the RFP designees must show exemplary conduct and competence.

Self Assessment

1. Ethics is important for a society to function properly for the following reasons except
 - A. keeping commitments
 - B. Acting in the best interest of the client
 - C. To punish wrong doers
 - D. honoring a client's trust

2. Which of the following statement(s) is/are true?
 - I Ethics is difficult to enforce because it is personal
 - II An unethical person can get away because it is difficult to enforce morality
 - A. I only
 - B. II only
 - C. Neither
 - D. Both

3. Which of the following statement(s) is/are true?
 - I Altruism means knowing what the truth is
 - II Altruism is an enforceable ethics code
 - A. I only
 - B. II only
 - C. Neither
 - D. Both

4. The following elements must be present in a profession except
- A. Independence
 - B. Continuing Professional Development
 - C. Professional association
 - D. Intelligence
5. The MFPC Code of Ethics has the following elements except:
- A. Looking very professional
 - B. Transparency of dealings
 - C. Confidentiality of client information
 - D. Disclosure of fees earned
6. Which of the following statement(s) is/are true?
- I Ethics is different from justice
 - II Justice is necessary because people do not act ethically
- A. I only
 - B. II only
 - C. Neither
 - D. Both
7. The MFPC Practice Standards includes the following except:
- A. Procedures for disciplinary action
 - B. Rewarding highly successful sales practices
 - C. Procedures for handling complaints.
 - D. Appeals procedures

8. The following are principles outlined in the MFPC Code of Ethics except:
- A. A RFP designee must make money for his client
 - B. Diligence
 - C. Disclosure of commissions earned
 - D. Professional regard for other professionals in the field
9. Which of the following statement(s) is/are true?
- I Legal rules are generally more clear-cut than ethical rules
 - II The MFPC Code of Ethics insists on independence
- A. I only
 - B. II only
 - C. Neither
 - D. Both
10. The following are possible reasons to becoming a financial planner except:
- A. Financial planners belong to a learned profession
 - B. Financial planners earn more money
 - C. Financial planners enjoy the trust and confidence given to them by clients
 - D. Financial planners see an avenue for altruism.

Answers: 1- C, 2- D, 3- C, 4- D, 5- A, 6- D, 7- B, 8- A, 9- A, 10- B

MFPC

Malaysian Financial Planning Council

Certification & CPD Board (CCB)

Preamble

The Certification and CPD Board (also referred to as the “CCB” or “Board”) is one of the three key standing committee of MFPC. Function-wise, it is the certification, standard and CPD guidelines setting standing committee. The Board consists of a Chairman and 4 committee members. MFPC National Council members are automatic ex-officios of the MFPC National Council and are allowed to attend all the meetings of the CCB. The Certification and CPD Board reports to the MFPC National Council

Scope of Powers

The CCB is empowered by MFPC National Council to assess certification-related matters, set practice standards and CPD requirements for the RFP designation. In congruence to its role, its functions encompass research creation and development of practice standards and disciplinary rules, and making recommendations to the MFPC National Council for approval in areas concerning ethics, standards, certifications, and CPD and related topics that are considered important for RFP Designees conduct and growth.

Professional Guidelines for RFP Designees and Certificants

Preamble

It is a common practice among professional organizations to device codes, principles and practice standards for its members to uphold and embrace. The purpose of these codes, principles and practice standards is to act as guideposts for the members to raise themselves to become a true professional in their respective field of practice. Like these professional bodies, the CCB is responsible for providing a set of Code of Ethics, Professional Obligations and Practice Standards enshrined in its constitution for its members to conform.

For purposes of this Code, a person recognized and conferred by the MFPC to use RFP mark is called a RFP Designee. An RFP Designee is actively involved in the in offering specific areas of financial services to clients or in management of a professional setting of this nature. For purposes of this Guideline, the term RFP Designee shall be deemed to include participants of programs leading to the designation.

Guidelines on Criteria for Conferment and Post-Conferment Usage of the Registered Financial Planner (RFP) Designation and Certification Mark by Individuals

Initial Conferment Criteria

To be conferred any of the RFP Designation; the individual must have fulfilled the following basic criteria:

- ◆ *Enrolled as an ordinary member of MFPC.*
- ◆ *Completed the educational qualifying conditions set by the CCB /MFPC*
- ◆ *Meet all current and future practice codes, principles, standards and competence requirements set by CCB*
- ◆ *Completed minimum number of years of related pre- or post- experience in the financial services industry as required by the CCB/MFPC.*

Post-Conferment Usage Criteria

The right to continue using any of the professional requires the designee to be a financial member of the licensed member organization and comply with all the current and new requirements that are introduced by the CCB and the licensed member organization from time to time. This may include the earning of a certain amount of Continuing Professional Development (CPD) credits over a period of time as determined by the licensed member organization and the payment of prescribed fees that may be determined from time to time by the CCB /MFPC.

Continuing Professional Development (CPD) Guidelines for RFP Designees

To ensure that the objectives are achievable through the CPD guidelines, it is important the MFPC sets benchmarks to measure the effectiveness and relevancy of the CPD requirements. The benchmarks should be based on outcomes or *what we want of the RFP designees* who have completed the CPD requirements each year.

This has to start from understanding the job functions of the RFP designees who are practicing his work either personally or through his representatives. Essentially, *RFP designees* have two broad job functions:

1. To market his products and services *efficiently, effectively and ethically* personally or through his field representatives.
2. To meet the client's expectation – is *current* (updated on latest development affecting his work) and be able to perform the job competently (*within acceptable standard*), *ethically* (*with the client's interest put foremost*) and *efficiently* (*get the job done cost effectively*) once he or his organization is hired by the client.

Hence, the CPD guidelines must be designed so that *RFP designees* going through the exercise will directly or indirectly be up-dated on issues relating to his business and acquire sales/marketing and on-the-job competence on a *continuous* and *incremental basis*.

CPD Credit Hours Requirements for Re-licensing

Every field members must complete 30 hours of CPD Credits each years consisting of 15 hours of *sales/marketing-based* training (Category A) and 15 hours of *on-the-job related competency training* (Category B) to be re-licensed each year.

Broad Categories	Broad Subject Matters	Methods	Sources
CPD Category A Sales/ Marketing-Based Training	<ul style="list-style-type: none"> ▪ Sales Cycle and System ▪ Selling Skills (Basic & Advanced) ▪ Marketing Systems ▪ CRM ▪ Life Office Administration, e.g. claims, underwriting, etc. ▪ Personal Development ▪ Time Management ▪ Motivation ▪ Use of Sales Tools, e.g. Software presentation tools ▪ Sales/Marketing Management ▪ Agency Management ▪ Practice Management 	<ul style="list-style-type: none"> ▪ Attending recognized conventions ▪ Attending classes of recognized courses ▪ Self-study of recognized courses ▪ Teaching in recognized courses ▪ Speaking in recognized conventions ▪ Writing relevant materials/books 	<ul style="list-style-type: none"> ▪ Technical Courses provided by relevant institutions, e.g. tax by IRB ▪ RFP Modules ▪ FLPC/APLIC Programs' Modules ▪ NAMLIFA Conventions ▪ Insurance Companies' Conventions ▪ APLIC Congress ▪ MDRT Convention ▪ Other Approved Programs
CPD Category B On-the-Job Related Competency Training	<ul style="list-style-type: none"> ▪ Investments & Insurance Products ▪ Associated Legal Aspects, e.g. Law of agency, insurance laws, wills & trusts ▪ Tax-Related Issues, e.g. yearly budget up-dates, tax planning ▪ Risk Management ▪ Insurance Planning ▪ Investment planning ▪ Estate Planning ▪ Financial Planning ▪ Financial Plan Construction ▪ Financial Plan Application ▪ Ethics & Practice Standards ▪ Compliance Requirements 		

RFP Code of Ethics, Professional Obligations and Practice Standards

The **RFP Code of Ethics, Professional Obligations and Practice Standards** (hereafter called the “Code”) has been embraced by the MFPC to furnish principles, standards and rules to all persons whom it has approved to use any of its professional designation [and all prior and subsequent designations devised by the CCB. The CCB will recommend to the MFPC National Council to determine who is recognized and approved to use any of the RFP designations. Implicit to receiving of this approval is a commitment on the part of the RFP Designee not only to comply with the decrees and requirements of all relevant laws and regulations in Malaysia, but also to take responsibility to act in an ethical and professionally responsible way in all services and activities in the course of conducting his or her business.

The RFP Designee’s Code of Ethics and Practice Standards

The **RFP Code of Ethics, Professional Obligations and Practice Standards** embodies the following *two components*:

1. The Code of Ethics (COE)

- The COE provides a reference point for guiding designees on how to behave ethically in the conduct of their business. The COE must be read in conjunction with the RFP Practice Standards.

2. The RFP Practice Standards (RPS))

- The RPS is intended to provide detailed benchmarks as to the level of professional practice and competence that is expected of a RFP Designee. The RPS must be read in conjunction with the COE and GPP.

The Code of Ethics (COE)

1. Integrity

RFP Designees shall always act in the best interests of the client, the public generally and shall act with the utmost degree of integrity in all professional engagements.

Interpretive Notes

RFP Designees is responsible for behaving in a way that is appropriate professionally when serving his clients, the public at large and the MFPC. As guardians of the public trust and confidence, RFP Designees is required to use the uppermost degree of impartiality, integrity, and transparency in all professional dealings.

2. Transparency

RFP Designees shall stay transparent and objective in all dealings, and shall explain clearly to clients the rationales where objectivity is compromise due to practical reasons.

Interpretive Notes

A RFP Designee should uphold objectivity, honesty and shall disclose all conflicts of interest in the client-planner relationship. In instances where commitments to employers or principals make objectivity difficult, the RFP Designee I required to make known this to the client. In the course of performing his professional duties the RFP Designee shall make known to the client whether he/she is independent, representing a principal(s) or employer.

3. Putting Client's Interests First

RFP Designees shall put the client's interests above their own interests at all times.

Interpretive Notes

The RFP Designee is required to place the client's interest above his own in all professional engagement with clients. The RFP Designee agree to accept the responsibility that in situations where due to prejudicial influences or conflicts of interests, may affect objective judgment, he shall declare such influences or conflicts to clients and take actions that are appropriate in protecting the client's interests.

4. Making the Code of Ethics Available to Clients

RFP Designees shall, upon request, provide a copy of this Code of Ethics and shall explain to clients the meaning of its provisions.

Interpretive Notes

A RFP Designee should make available to the client a copy of the COE and is able to explain how the COE function in the professional relationship and what his or her role and obligations are with respect to the clients, his principal and the MFPC.

5. Continuing Professional Development

RFP Designees shall continue to develop themselves professionally and maintain relevancy and competence at a level required to serve client professionally.

Interpretive Notes

A RFP Designee shall continuously acquire maintain and use the standards of knowledge and due care relevant to his role as a financial planning professional and to meet guidelines and rules set by the Authorities and relevant self-regulatory organizations.

6. Confidentiality

RFP Designees shall keep all client information confidential according to guidelines, practice standards and laws set by the relevant authorities (e.g. SC, BNM) and Self-Regulatory Organizations (e.g. LIAM, MFPC, NAMLIFA, etc.)

Interpretive Notes

A RFP Designee shall request all relevant records and documentation as is necessary to satisfy the requirements of the client and the RFP Designee shall respect confidentiality of all information obtained in the performance of his professional services unless otherwise required or permitted by law or in the course of a civil dispute.

7. Professionalism

RFP Designees shall act with professionalism and shall act in a manner that brings honour and dignity to the profession.

Interpretive Notes

A RFP Designee shall behave in an honest and courteous manner towards all persons in business relationships and shall enhance the standing of the profession in the community in which he or she serves.

8. Diligence

RFP Designees shall be diligent in discharging responsibilities to clients and the public and shall render such services promptly, carefully, and thoroughly.

Interpretive Notes

The RFP Designee is expected to diligently plan and supervise any professional activity for which he or she is responsible in an adequate and comprehensive manner.

9. Professional Undertakings

RFP Designees shall only undertake tasks for which they have the proper experience, knowledge, skills, competence and authorization.

Interpretive Notes

A RFP Designee shall only undertake business related to his business within the limits of his competence and authorization. RFP Designees must recognize circumstances where knowledge and competence are not sufficient to the task and inform the client of such deficiencies, and where appropriate, recommend to the client professional who are qualified to complete the task.

10. Charges, Fees and Costs

RFP Designees shall declare all charges, fees and costs arrangements with clients prior to entering into a contract of engagement.

Interpretive Notes

A RFP Designee shall make known to the client and explain to him the basis of charges, fees and or other remuneration related to services performed on behalf of the client.

The RFP Practice Standards (RPS)

Preamble

The RFP Practice Standards (RPS) are essentially evolving sets of specific professional benchmarks and principles introduced by CCB of the MFPC that are intended for helping RFP Designees understand the level of competence and acceptable professional behavior expected of them in various situations and in dealings with clients and associates. Where there are no clearly defined benchmarks or principles listed in the RPS to measure performance or to guide behavior in a particular situation or dealings, the designees are to refer to the General Practice Principles for general guidance.

It should be noted that these practice standards and principles provided in the RPS *are not* meant to be bases for legal liability to be used against a designee who is in violation of these practice standards and principles. Notwithstanding, these practice standards and principles do provide a basis for the Disciplinary Officer of the Ethics and Compliance Board of the MFPC to take disciplinary action against the designee who has brought bad practices and disrepute to the profession.

The **RFP Practice Standards (RPS)** deals with the job aspects of financial planning and the financial planner. The design of the standards is guided by researches and job analysis made over the years by professional bodies and discussions with financial planning professionals. The RPS essentially provides guidance and benchmarks to financial planning practitioners on how they should perform their job to meet internationally accepted practice standards and to meet client's expectations.

RFP Practice Standards (RPS)

Purpose of the RPS

The **RFP Practice Standards (RPS)** determines the quantity of professional practice that is expected of a RFP Designee who practices financial planning, regardless of his job status or work title. All RFP designees are expected to conform to the RPS.

'Financial Planning' Defined Under the RPS

The RPS defines financial planning or personal financial planning as *“a process or methodology of assisting clients in determining their financial goals, objectives and priorities and the resources to meet them in an optimal and practical manner.”*

From the definition, we may deduce that financial planning is a *process* of doing things and not a product.

The 'Financial Planning Process' Under the RPS

The RPS has adopted the established six-step financial planning process fashionable within the financial planning circle. The RPS considers the role of defining and redefining of the client-planner relationship as a continuous part of the engagement with the client, which start from the pre-planning, planning to the monitoring period. Since, it is an on-going activity that last throughout the relationship after the initial engagement and is interwoven into the fabric of every of the six-step financial planning process, the RPS do not list it as one of the six-step process. Instead, separate guidelines are provided under the RPS recommendations to define the activity.

Notwithstanding the above, the RPS do recognize and support any financial planning process that matches its adopted model in serving clients' needs at the professional level.

RPS Glossary of Key Terms

Client	<i>A natural or artificial person or group of persons who engages the services of a financial practitioner or a firm providing financial services.</i>
RFP Designee	<i>A professional designee, who is an individual either certified or in the process of being certified as a Registered Financial Planner by the CCB of the MFPC</i>
Conflict of Interest	<i>A situation where the client's interests may be compromised in a client-planner relationship.</i>
Fee-based Financial Planner	<i>A financial planner who has declared that he only charge a fee for his services rendered and do not benefit from use of products he had recommended to the client.</i>
Financial Planning	<i>A process or methodology of assisting clients in determining their financial goals, objectives and priorities and the resources to meet them in an optimal and practical manner.</i>
Financial Planner	<i>A practitioner who provides financial planning services to his client as an integral part of his business</i>
Financial Practitioner	<i>A practicing financial services professional who offers financial planning-related services to clients</i>
Financial Planning Practitioner	<i>A practicing financial services professional who offers financial-related services to clients, of which financial planning is a central service of his practice</i>
Financial Planning Professional	<i>A qualified financial planning practitioner who is competent in offering comprehensive and integrated financial planning services to his clients.</i>
Financial Adviser	<i>A person who is licensed under guidelines or Acts of his/her respective country to provide advice to clients on investment or financial products.</i>

The Six-Step Financial Planning Process Under the RFP Practice Standards (RPS)

SIX-STEP PROCESS	DESCRIPTION	KEY PURPOSES	SPECIAL NOTE
Step 1	Setting Goals, Objectives & Priorities	<i>Establish where the client wants to go and arrange them in order of importance</i>	In every of the six-step process, starting from the initial engagement, the client-practitioner relationship that has been defined and established should be re-defined, re-established and enhanced as an on-going affair.
Step 2	Gathering Relevant Data & Information	<i>Procure crucial information for determining the client's situation</i>	
Step 3	Analyzing Information & Assessing Financial Status	<i>Identifying the clients needs, resources, constrains and options</i>	
Step 4	Developing and Presenting a Financial Plan for Implementation	<i>Detailing the problems and solutions in a strategized, written format for the client's considerations and actions</i>	
Step 5	Executing the Financial Plan	<i>Getting permission and having the plan implemented effectively & efficiently</i>	
Step 6	Monitoring Execution & Reviewing of the Financial Plan	<i>Checking and adjusting the execution to ensure goals and objectives listed are met</i>	

The RFP Practice Standards Associated with Each of the Six-Step Financial Planning Process

SIX-STEP PROCESS	DESCRIPTION	Associated RFP Practice Standards (RPS Codes)	RPS Inter-Woven into the Six-Step
Step 1	Setting Goals, Objectives & Priorities	Code RPS-001A Code RPS-001B	Initiating and Building the Client-Practitioner Relationship RPS Code RPS-CP1 Code RPS-CP2 Code RPS-CP3
Step 2	Gathering Relevant Data & Information	Code RPS-002A Code RPS-002B	
Step 3	Analyzing Information & Assessing Financial Status	Code RPS-003A Code RPS-003B	
Step 4	Developing and Presenting a Financial Plan for Implementation	Code RPS-004A Code RPS-004B Code RPS-004C	
Step 5	Executing the Financial Plan	Code RPS-005A Code RPS-005B	
Step 6	Monitoring Execution & Reviewing the Financial Plan	Code RPS-006A	

The RFP Practice Standards

Purpose and Format

The **RFP Practice Standards (RPS)** are represented by a series of RPS Codes, which are 'Defining Statements' associated with the continuing professional relationship of the planner with the client and the process of dealings associated with financial planning.

To ensure clarity as to the purpose and meaning of the statements made, an Interpretive Note is provided to support each Defining Statement. In addition, the intended outcomes for the client, public and the financial planning practitioner of each category of defining statements where the elements are carried out accordingly is stated to give an indication of its benefits.

MFPC PRACTICE STANDARDS

Initiating and Building the Client-Practitioner (CP) Relationship RPS Code RPS-CP Category

Code RPS-CP01:

Defining the Parameters of the Relationship

A financial practitioner and the client shall jointly agree on the level and types of services to be provided prior to any commencement of work.

Code RPS-CP02:

Exhibiting Transparency in Dealings with the Client

A financial practitioner shall make clear to the client of his competency, authority, license to operate, compensation arrangement and the disclosure of potential areas that have a conflict of interest implication.

Code RPS-CP03:

Committing to Serve the Client Competently and Responsibly

In conjunction to Code RPS-CP02, a financial practitioner shall pledge to serve the client competently and responsibly at all times.

Setting Goals, Objectives & Priorities**RPS Code RPS-001 Category****Code RPS-001A:****Defining the Client's Goals based on the Objectives and Purposes**

A financial practitioner and the client shall jointly agree on the goals to be achieved. To ensure that the financial practitioner is able to vary the goals through recommendations in response to changing circumstances, the objectives and purpose of the client's goals must be discussed and understood.

Code RPS-001B:**Setting Priorities Based on Degree of Importance, Urgency and the Availability of Resources for the Attainment of those Goals**

A financial practitioner and the client shall jointly sort out the priority of goal achievement based on its importance, urgency and the resources available.

Gathering Relevant Data & Information**RPS Code RPS-002 Category****Code RPS-002A:****Determining the Relevancy and Adequacy of Data and Information Gathered for Analysis**

The financial practitioner shall determine the amount and relevancy of the information and documents needed in congruence to the parameters set on the work scope earlier that is required to help determine the type of recommendations to the client for the attainment of his goals.

Code RPS-002B:**Keeping the Client's Information Confidential and the Documents Collected in Safe Custody**

A financial practitioner shall at all times keep information provided by the client confidential and to store all documents provided by the client in safe custody, and shall undertake to not to diverge any of these documents or information to third party without the written permission of the client.

Analyzing Information & Assessing Financial Status**RPS Code RPS-003 Category****Code RPS-003A:****Understanding the Client's Financial Position**

A financial practitioner shall attempt to understand the client's financial situation based on careful analysis of the information gathered.

Code RPS-003B:**Evaluating to Determine if the Goals and Needs can be met with Current Resources**

A financial practitioner shall evaluate the resources based on the information received and determine if they are sufficient to meet the client's needs and goals.

Developing and Presenting a Financial Plan for Implementation
RPS Code RPS-004 Category**Code RPS-004A:****Consider all Solution Options and Make Selection for Final Recommendation**

A financial practitioner shall identify all the investment and funding options and select those that are appropriate for final recommendations to the client.

Code RPS-004B:**Constructing an Appropriate Financial Plan for Implementation**

A financial practitioner shall put in writing appropriately all the problems identified, the recommended solution options and the caveats in the form of a financial plan.

Code RPS-004C:**Presenting the Financial Plan for the Client's Feedback and Approval**

A financial practitioner shall communicate and discuss the details of the financial plan with the client and obtain feedback and approval before implementation.

Executing the Financial Plan**RPS Code RPS-005 Category****Code RPS-005A:****Jointly Defining the Financial Plan Execution Duties**

A financial practitioner shall jointly with the client agree on the execution method, timing and other responsibilities.

Code RPS-005B:**Obtaining Final Approval of the Financial Plan for Execution**

A financial practitioner shall obtain writing endorsement from the client for implementation of the financial plan before he acts.

Monitoring Execution & Reviewing of Financial Plan**RPS Code RPS-006 Category****Code RPS-006A:****Agreeing on Monitoring Process, Duties and Review Time Period**

A financial practitioner and the client must mutually agree on the monitoring process and duties and to set the time period for reviews.

Guidelines on the Handling of Complaints and Violations by an RFP Designee

INTRODUCTION

The Ethics and Compliance Board (hereinafter referred to as “**the ECB**”) is responsible for the enforcement of the RFP Code of Ethics, Professional Obligations and Practice Standards (hereinafter referred to as the “**Code**”) which Code was developed by the Certification and CPD Board (hereinafter referred to as “**CCB**”) of the **MFPC** and approved by the National Council of the MFPC.

The ECB is also responsible for dealing with complaints made against Members including setting the guidelines within which disciplinary proceedings against Members are to be conducted.

The National Council is empowered to take such disciplinary action against any Member, pursuant to inter-alia any regulations made by the National Council from time to time.

Accordingly:-

- (1) guidelines have been set by the ECB, which guidelines have been approved by the National Council of the MFPC;
- (2) regulations have been established by the National Council incorporating the above guidelines;

which regulations will be known as the MFPC Disciplinary Proceedings Regulations.

1. Investigation Committee

- (a) An Investigation Committee shall be formed comprising of at least one (1) member of the ECB and not more than three (3) members of the ECB (“**the IC**”) whose function shall be to investigate any complaint concerning a Registered Financial Planner (“**RFP**”) and make the determination set out in Regulation 3(f) below ;
- (b) subject to sub-regulation (a) above, the composition of the IC, including the Chairman of the IC, shall be determined by the Chairman of the ECB. If the IC comprises of only one

(1) member of the ECB, references in these Regulations to the Chairman of the IC shall be deemed to refer to such single member of the IC;

- (c) the term of any member of the IC shall be for a period of two(2) years subject to the power of the Chairman of the ECB to:-
- (i) extend the term for further period(s) of two(2) years each; or
 - (ii) remove or release any member of the IC,

in such circumstances as the Chairman of the ECB deems fit.

2. Complaints

- (a) Any complaint concerning a RFP designee shall be in writing and shall be made or referred to the ECB;
- (b) any member of the National Council of the MFPC shall be entitled to refer to the ECB of any alleged breach of the Code that comes to his notice or that is brought to his attention. The ECB shall then liaise with any or all relevant persons in order that a complaint complying with the requirements of sub-regulation (c) below is made to the ECB. The member of the National Council who has so referred any such alleged breach of the Code shall not participate in the disciplinary proceedings against the RFP designee concerned;
- (c) a complaint shall contain/be accompanied by the following:-
- (i) the full name, Identity Card/Passport No. and address of the complainant;
 - (ii) the facts of the complaint;
 - (iii) copies of any document that the complainant proposes to rely on in support of his complaint; and
 - (iv) the signature of the complainant.

3. Investigation

- (a) A written complaint in compliance with Regulation 2(c) above shall be forwarded by the ECB to the IC within fourteen (14) days of the receipt of the written complaint;
- (b) the IC shall commence its investigation into the complaint and report its findings to the ECB as expeditiously as may be reasonably expected of it but not later than two (2) months after the receipt of the written complaint by the IC or within such further period as the Chairman of the ECB may in writing specify upon an application made by the IC for an extension;

- (c) for the purposes of any investigation, the IC may:-
 - (i) require the RFP designee concerned to produce for the inspection by the IC of any document which may relate to or be connected with the subject matter of the investigation and may require the RFP designee involved to give information in relation to any such document;
 - (ii) require the RFP designee concerned to give all information which may relate to or be connected with the subject matter of the investigation.
- (d) the IC shall refer to the National Council the RFP designee concerned who without lawful excuse refuses or fails to comply with either of the requirements in sub-regulation (c) above whereupon the National Council shall be entitled to:-
 - (i) suspend the membership of the RFP designee concerned with the MFPC for such period as the National Council deems fit;
 - (ii) notify all Members of the MFPC and all relevant regulatory authorities of such suspension.

Any such reference to the National Council and/or suspension by the National Council shall not affect the investigation by the IC which shall continue.

- (e) (i) a complainant may at any time, by letter addressed to the ECB, withdraw his complaint;
- (ii) notwithstanding the withdrawal of a complaint, the IC may nevertheless proceed with its function as set out in sub-regulation (f) below if the circumstances so warrant or may refer the matter to the Disciplinary Committee with a recommendation that the complaint be considered closed;
- (f) the IC shall determine if a formal investigation is necessary by the Disciplinary Committee. In the event the IC determines:-
 - (i) that a formal investigation is necessary, then the matter shall be referred to the Disciplinary Committee constituted in the manner as referred herein below;
 - (ii) that no proper cause for complaint exists or no cause of sufficient gravity exists, the matter shall be referred to the Disciplinary Committee with a recommendation that the complaint be considered closed.
- (g) before the IC considers the complaint, the IC shall cause to be posted by prepaid registered post or delivered to the RFP designee concerned at his last known address according to the records of the MFPC:-

- (i) a copy of the written complaint and all accompanying documents (if any); and
 - (ii) a notice inviting the RFP designee concerned within fourteen (14) days of the notice or such further period as allowed by the IC, to give to the IC any written explanation he may wish to offer to the IC on the complaint.
- (h) the IC shall allow the time specified in the notice referred to in sub-regulation (g) above to elapse and shall give due consideration to any written explanation made by the RFP designee concerned;
- (i) the IC shall meet at such place and on such date and at such time as the Chairman of the IC shall determine from time to time in order to consider the complaint and to fulfill its functions in sub-regulation (f) above;
- (j) the IC shall prepare a report stating its findings and the determination as reached by it. The report of the IC (together with copies of the complaint, letter of explanation (if any) by the RFP designee concerned and any and all correspondence between the IC and the complainant and/or the RFP designee concerned) shall be forwarded to the Disciplinary Committee.

4. Disciplinary Committee

- (a) The Disciplinary Committee shall comprise of:-
- (i) two (2) RFP designees who have been involved in financial planning for not less than five (5) years;
 - (ii) a person with a legal qualification recognized under the Legal Profession Act, 1976,
- (hereinafter referred to as the “**DC**”);
- (b) subject to sub-regulation (a) above, the ECB shall nominate for the consideration of the National Council the persons who are to comprise the DC. The DC shall comprise of such nominees who meet with the approval of the National Council;
- (c) the term of each member of the DC shall be for a period of two (2) years subject to the power of the National Council to:-
- (i) extend the term for further period(s) of two (2) years each;
 - (ii) remove or release any member of the DC,
- in such circumstances as the National Council deems fit;
- (d) the Chairman of the DC shall be as determined by the President of the National Council from time to time;

- (e) the DC shall meet at such place and on such date and at such time as the Chairman of the DC shall determine from time to time;
- (f)
 - (i) where the IC has determined that no proper cause for the complaint exists or no cause of sufficient gravity exists; or
 - (ii) where the complainant has withdrawn the complaint and the IC has referred the matter to the DC with a recommendation that the complaint be considered closed,

the DC may concur with the determination or recommendation (as the case may be) of the IC and the complaint shall thereafter be considered closed. However, where the DC disagrees with such determination or recommendation of the IC (as the case may be), the DC shall proceed to hold a formal investigation in relation to the complaint;
- (g) notice of the hearing of the DC shall be sent to the complainant and to the RFP designee concerned by prepaid registered post or delivered to the last known address of the complainant and the RFP designee concerned based on the records of the MFPC. The notice shall specify the date, time and place of the hearing of the DC;
- (h) the DC may adjourn the hearing from time to time. No written notice of an adjournment is required to be given to any party when the adjournment is made in the presence of that party;
- (i) where on the date fixed for the hearing and investigation of the complaint, the complainant or the RFP designee concerned or both fail or fails to attend before the DC, the DC may, upon being satisfied that the notice of the hearing has been posted or delivered to the person or persons concerned, proceed to hear and investigate the complaint in the absence of such person or persons without further notice to such person or persons and make its determinations;
- (j) at any hearing before the DC:-
 - (i) the RFP designee concerned may cross-examine the complainant and his witnesses, if any, in relation to the complaint;
 - (ii) the complainant may cross-examine the RFP designee concerned where he gives evidence, and his witnesses, if any.
- (k) where the DC is not unanimous on any question or matter to be determined, the decision of the majority shall be deemed to be the decision of the DC;
- (l) after hearing and investigating any matter forwarded to it, the DC shall in its report record its findings in relation to the facts of the case and according to those facts shall determine if the RFP designee concerned is in breach of the Code;

- (m) where the DC determines that the RFP designee concerned is not in breach of the Code, the matter shall then be considered closed;
- (n) where the DC determines that the RFP designee concerned is in breach of the Code, the matter shall then be considered by the National Council;
- (o) the report of the DC together with the record of the proceedings shall be sent to the President of the National Council within two (2) months from the receipt by the DC of the report of the IC on the complaint or within such further period as the Chairman of the ECB may in writing specify upon an application made by the DC for an extension;
- (p) a copy of the report of the DC together with the record of the proceedings shall be sent to complainant and the RFP designee concerned by prepaid registered post or delivered to their respective last known addresses based on the records of MFPC.

5. Proceedings before the National Council

- (a) In the event the RFP designee concerned has been determined by the DC to be in breach of the Code, at least seven (7) working days notice shall be given to the RFP designee concerned, the complainant and the Chairman of the DC of the place, date and time of the meeting of the National Council for the consideration of the matter. The place, date and time of the meeting of the National Council shall be as determined by the President of the National Council from time to time;
- (b) where on the date fixed for the proceedings before the National Council, the complainant or the RFP designee concerned or both fail or fails to attend before the National Council, the National Council may, upon being satisfied that the notice of the same has been posted by prepaid registered post or delivered to the person or persons concerned, proceed with the matter;
- (c) the National Council may adjourn its proceedings from time to time. No written notice of adjournment is required to be given to any party when the adjournment is made in the presence of that party;
- (d) at the proceedings before the National Council, the National Council shall consider the report of the DC and give an opportunity to the RFP designee concerned to raise any matter concerning the report of the DC. However, the RFP designee concerned shall not be allowed to adduce any further evidence or call any witnesses for the purposes of the proceedings before the National Council;
- (e) the National Council may invite the Chairman of the DC and the complainant to express their views on the matters as raised by the RFP designee concerned. The National Council may, as it deems fit, require the DC to submit within such time as determined by the National Council a further or supplementary report on such matters and issues that the National Council deems fit for the purposes of the proceedings before the National Council.

Council and Regulation 4(e), (g), (h), (i), (j) and (k) shall, to the extent necessary, apply for any hearings before the DC for that purpose;

- (f) (i) the National Council shall thereafter determine if it concurs with the determination of the DC;
- (ii) if the National Council does not concur with the determination of breach by the DC, the National Council shall rule accordingly and the matter shall then be considered closed;
- (iii) if the National Council concurs with the determination of breach by the DC, the National Council shall then hear the plea in mitigation (if any) that the RFP designee concerned chooses to make. Thereafter or so soon thereafter as is possible, the National Council may impose any one of the following disciplinary actions:-
 - (aa) reprimand the RFP designee concerned;
 - (bb) impose such fine upon the RFP designee concerned as the National Council deems appropriate to be paid to the MFPC within such time frame as determined by the National Council provided that such fine does not exceed the sum of RM50,000.00. In the event such fine is not paid within such time frame, the RFP designee concerned shall be suspended from membership with the MFPC until such fine is paid;
 - (cc) suspend the RFP designee concerned from membership with the MFPC for such period as the National Council deems appropriate in the circumstances;
or
 - (dd) order the removal of the name of the RFP designee concerned from the Register of Members.
- (g) the complainant and the RFP designee concerned shall be notified of the determination of the National Council and the disciplinary action imposed by the National Council (if any) within fourteen (14) working days of the decision of the National Council in relation to the same by a notice in writing issued by or on behalf of the National Council and sent by prepaid registered post or delivered to their respective last known addresses based on the records of the MFPC;
- (h) the National Council may publish or cause the publication in any manner it shall deem appropriate, the name of the RFP designee concerned who has been subject to disciplinary action pursuant to these Regulation including the penalty imposed on him provided that such publication shall not be effected pending the disposal of an appeal made in accordance with Regulation 6 below;

- (i) the RFP designee concerned may apply for a stay of the disciplinary action as imposed by the National Council provided that an appeal has been made by the RFP designee concerned in accordance with the requirements of Regulation 6(a) below. The application for stay shall be made to the President of the National Council who shall also determine such application.

6. Appeal Committee

- (a) The RFP designee concerned may, within a period of fourteen (14) days after been notified of the disciplinary action imposed by the National Council, appeal to the Appeal Committee set up hereunder. The appeal shall be in writing and addressed to the President of the National Council and shall:-
 - (i) state the intention of the RFP designee concerned to appeal against the decision of the National Council and indicating whether the appeal is against the determination of breach of the Code and/or the disciplinary action imposed by the National Council; and
 - (ii) be accompanied by payment in the sum of RM500.00 to offset the expenses incurred for the purposes of the appeal. This payment shall not be refundable.

An appeal that does not comply with the above requirements shall be incompetent and any determination that the appeal is so incompetent shall be made by the President of the National Council who shall inform the RFP designee concerned of such determination;

- (b) the Appeal Committee (“the AC”) shall be appointed by the National Council from time to time so as to hear any particular appeal as lodged. The AC shall comprise of:-
 - (i) a practicing lawyer who is an Advocate & Solicitor of the High Court of Malaya; and
 - (ii) two (2) persons who are members of bodies (whether statutory, corporate or otherwise) which bodies are involved in or connected with financial planning and/or financial services;
- (c) the Chairman of the AC shall be as determined by the National Council;
- (d) the AC shall meet at such place and on such date and at such time as the Chairman of the AC shall determine from time to time;
- (e) the AC may confirm or reverse the determination made by and/or confirm, reverse or vary the disciplinary action imposed by the National Council;
- (f) the AC shall, as soon as practicable after its constitution, give the RFP designee concerned an opportunity to make a written representation within such time as may be stipulated by the AC;

- (g) after receiving the written representations of the RFP designee concerned (if any), the AC may invite the President of the National Council and/or the Chairman of the DC to give their respective written comments on the written representations of the RFP designee concerned, with such comments to be given within such time as may be stipulated by the AC;
- (h) the AC shall upon receiving the written comments of the President of the National Council and/or the Chairman of DC, give the RFP designee concerned an opportunity to give his written comments on the same within such time as may be stipulated by the AC;
- (i) after receiving the written representations of the RFP designee concerned, the written comments of the President of the National Council and/or the Chairman of the DC and the written comments of the RFP designee concerned on the same, or in the event there is a failure to submit to the AC any or all of the written representations/comments referred to above, the AC may proceed to consider the appeal based on:-
 - (i) the report of the DC together with the record of the proceedings before the DC;
 - (ii) the determination of the NC; and
 - (iii) the written representations and written comments referred to hereinabove and received by the AC.

For the avoidance of doubt, there shall be no oral hearing before the AC.

7. General

- (a) The rulings, decisions and/or determination(s) of the IC, the DC, the National Council (in the absence of an appeal to the AC), the President of the National Council (for the purposes of the Regulations 5(i) and 6(a)) and the AC shall be final;
- (b) there shall be no right of legal representation at the hearing before the DC and the proceedings before the National Council save and except to the extent as permitted by the DC and/or the National Council (as the case may be);
- (c) subject to the Regulations herein, the IC, the DC, the National Council and the AC may regulate their respective functions and the investigation, hearing and proceedings before them respectively in such manner as they respectively deem fit;
- (d) Clause 8-1 of the Constitution of the MFPC shall apply in relation to any purported notice of resignation given by the RFP designee concerned pending the disposal of the complaint.

