



Fairness – Fundamental to Professional Engagements

All cultures, no matter how different, share a common view that we should treat others as we ourselves wish to be treated. This simple, yet powerful, ethical principle requires us to understand ourselves fully and to empathize with and respect the needs of others. It's a bedrock principle for the notion of justice and for behavior that supports strong relationships and solid communities around the world.

Fairness goes to the heart of all professional engagements. Most of the time, the person seeking professional services has less knowledge and training in the subject than the professional, is not as familiar with procedures or programs, and may not understand the advantages and disadvantages of various decisions. The professional brings her knowledge and training to bear on the relationship, and delivers the services and advice the client is due as part of the professional engagement.

Financial Planning Standards Board Ltd. (FPSB), the preeminent international financial planning standards authority for competent and ethical financial planners, includes fairness as a principle in its *Code of Ethics and Professional Responsibility*. The *Code of Ethics* calls for financial planners to be fair and reasonable in all professional relationships, and to fully disclose and manage conflicts of interest.

“Full disclosure only strengthens the trust relationship between financial planners and their clients,” said Karen Schaeffer, a US-based CERTIFIED FINANCIAL PLANNER professional. “At a time when uncertainties in the world markets breed skepticism of the financial services industry, financial planners have an obligation – and an opportunity – to help clients understand the value of professional advice.”

FPSB's *Code of Ethics and Professional Responsibility* encourages financial planners to provide clients what they are due, owed or should expect from a professional relationship. Financial planners should be honest and disclose material conflicts of interest, and manage their own feelings, prejudices and desires to achieve a proper balance of interests during the engagement. Put simply, financial planners should treat their clients in the same manner that they would want to be treated by another professional.”

“A financial planner should disclose how he or she will be paid, and discuss any products the planner represents that may pose a conflict of interest,” said Juliana Lam, a Shanghai-based CERTIFIED FINANCIAL PLANNER professional. “In our practice, we like to address these issues early. Clients appreciate our candor, and it provides an opportunity for the client to address what she expects, and for us to explain how we'll work together.”

Not all financial planners disclose conflicts of interest or treat clients fairly. Advisors who have earned the CERTIFIED FINANCIAL PLANNER certification have committed to rigorous ethical standards and to treating clients fairly, providing full disclosure and delivering to clients what they are due. To learn more about your rights as a financial planning client, visit www.fpsb.org.

Principle 4 – Fairness
Be fair and reasonable in all professional relationships. Disclose and manage conflicts of interest.

Fairness requires providing clients what they are due, owed or should expect from a professional relationship, and includes honesty and disclosure of material conflicts of interest. It involves managing one's own feelings, prejudices and desires to achieve a proper balance of interests. Fairness is treating others in the same manner that you would want to be treated.