

# FSC Standard No. 1

## Code of Ethics & Code of Conduct

8 August 2025

**FSC**  
FINANCIAL  
SERVICES  
COUNCIL

# FSC Standard No. 1

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| <b>Date of this version:</b>          | <p>8 August 2025</p> <p>This Standard was originally developed in 1997-98 following the establishment of the FSC, and was formally issued on 9 November 1999. It was revised on 22 June 2001, 31 August 2007, 4 May 2012, 31 October 2016, 4 May 2018 and last reviewed, prior to this version, on 14 April 2020. Minor amendments to wording made on 27 March 2023. Reformat and revision on 8 August 2025.</p>                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Application of this Standard:</b>  | <p>This Standard is relevant to all FSC Members.</p> <p>The Standard applies only to Full Members of the FSC. Supporting Members are encouraged to comply with this Standard as far as practicable and as circumstances permit.</p> <p>This Standard establishes an ethical framework to guide decision making and has specific rules on conduct expectations.</p> <p>This Standard also contains links to FSC's Standards making process, the requirement for annual sign-off from the Board of FSC Members certifying compliance with all applicable FSC Standards, and related matters</p>                                                                                                                                                                                                      |
| <b>Main Purpose of this Standard:</b> | <p>The Standard contains:</p> <ul style="list-style-type: none"> <li>• A Code of Ethics for FSC;</li> <li>• A Code of Conduct for FSC Members; and</li> <li>• Links to FSC Information Sheets that provide procedural provisions relating to Standard setting and the on-going governance of Standards, together with details concerning the relevant compliance processes to be undertaken by full FSC Members.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Disclaimer</b>                     | <p>This document does not constitute any legal, accounting, tax or financial product advice, and does not take into account the objectives, financial situation or needs of any person or the terms of any commercial transaction. Users should obtain their own professional advice tailored to their own circumstances before using this document for their own commercial purposes. The Financial Services Council Ltd (FSC) does not give any warranty with respect to this document and has no responsibility for any loss, damage or liability whatsoever arising from the use of this document. The use of this document is subject to the terms and conditions prescribed by the FSC from time to time in relation to the access, use, transmission or dissemination of this document.</p> |

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## Application of the Standard and Commentary

### Purpose of the Code

The Financial Services Council Ltd (**FSC**) seeks to serve Australians with integrity to grow, protect, and enhance confidence in a strong, sustainable financial services sector by, among other things, acting as the focal point for the development of standards, guidance notes and codes of practice for our member entities

FSC Standard Number 1 – Code of Ethics and Code of Conduct establishes an ethical framework to guide decision making and specific rules regarding certain conduct. This Standard is supported by separate Information Sheets that outline the FSC’s Standards-making process and the requirement for annual sign-off, from the Board of FSC Members, certifying compliance with all applicable FSC Standards, and other related matters.

### Application

- (i) All FSC Full Members must comply with the ethical framework and rules of conduct set out in this Code and associated Information Sheets; and
- (ii) Supporting Members are encouraged to have regard to and to observe the principals of Standard 1.

### FSC Standards

*Operate in conjunction with the law*

FSC Standards are intended to complement – and not replace – existing Australian law.

*Breach of an FSC Standards*

The processes that an FSC Member should adopt in the event of an alleged breach of an FSC Standard is contained in the [Information Sheet – Compliance with FSC Standards](#).

*Review of Standards*

FSC Standards are typically reviewed every three years. In exceptional circumstances, a Standard may be reviewed at an earlier time – for example, in response to a substantial evolution in the regulatory and/or business environment.

### Force Majeure Event

The FSC Standards Oversight and Disciplinary Committee (SODC) has power to grant compliance relief on such terms and conditions as it thinks fit from the procedural requirements contained in its Standards due to a Force Majeure Event. For the purpose of this Standard 1, the term “Force Majeure Event” includes any event or cause beyond the reasonable control of an FSC Member that materially affects the capacity of an FSC Member to comply fully with the requirements of a Standard, including, strike, industrial action, war, sabotage, terrorist activity, national emergency, pandemic, blockade or governmental action. Refer to [Information Sheet – Compliance with FSC Standards](#) for more information.

### Other material of interest

- [Information Sheet - FSC’s Standard-Setting Process](#).
- [Information Sheet – Compliance with FSC Standards](#).

# FSC Standard No. 1

The FSC's values guide the company's decision making and drives how the company engages with its members, stakeholders and consumers

## FSC VALUES

Taking initiative and owning outcomes.

Being open, transparent and collaborative.

Leading with ethical behaviour.

Socially responsible – giving back to the community.

**The public interest is best served by access to markets in which participants can make well informed choices free from undue constraints. Markets can only be free and efficient if they exclude those who act dishonestly, fraudulently, corruptly, unfairly or otherwise distort their proper functioning.**

### Public interest

Members should give primacy to the duty owed to their Customers.

Members have an *overriding general duty* to establish and maintain a strong ethical foundation for the market in financial products and services and their investment activities.

### Managing Conflicts of Interest

Members should treat decisions concerning customers' best interest with paramount importance and avoid circumstances where they may be perceived to have a conflict.

FSC Members should place their duty to Customers ahead of those owed to their shareholders.

### Ethical framework

Members should reinforce appropriate ethical behaviours and practices at all levels of the organisation.

Members should implement their own ethical framework that reflects their company's culture, guides decision making and supports dealings with stakeholders, in alignment with industry and regulatory expectations

### Duty of care

Members should undertake their work honestly and with due care, competence and diligence.

Members should act ethically, fairly, and transparently under the Corporations Act.

Members should not create nor use false or misleading information by act or omission.

Members of the FSC should give effect to the spirit as well as the letter of the law.

## CODE OF ETHICS

### Professionalism

Members' should ensure their conduct or influence does not detract from markets operating in an efficient and informed manner.

Members should ensure their staff have sufficient skill, competence and supervision to be able to perform their duties and obligations to a high professional standard.

Members should respect diversity, be diligent and take proper care when discharging their duties and obligations, and be respectful toward customers and other stakeholders.

### Compliance

FSC Full members should take reasonable steps to support FSC Standards.

Full members have responsibility to attest yearly to compliance the relevant FSC Standards

Breaches in obligations contained in FSC Standards should be reported to the Secretariat.

[Information Sheet – Compliance with FSC Standards](#)

### Risk

Members should maintain a high standard in their risk and compliance practices, in accordance with regulatory framework expectations and mandatory prudential standards.

### Stakeholder management

Members should treat all stakeholders equally and fairly and conduct their affairs in a manner that upholds the trust and good opinion of customers and other stakeholders

Stakeholder communication should be honest and timely, ensuring all messages and disclosures are clear and responsible.

# FSC Standard No. 1

## CODE OF CONDUCT

**FSC Members should explicitly support the FSC standard of ethical and professional conduct, as part of their corporate governance framework**

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| <p><b>Breach reporting</b></p> <p>Members should report breaches in conduct or instances of unethical behaviour.</p> <p><a href="#">Information Sheet – Compliance with FSC Standards</a></p>                                                                                                                                                                                                                                          | <p><b>Anti-competitive behaviour</b></p> <p>Members should act fairly with appropriate competition and in a manner that increases trust and confidence in the Financial Services Sector.</p>                                                                                | <p><b>Security</b></p> <p>Members should ensure they have sufficient cyber security arrangements to safeguard customer private information and data</p>                                                                                                                    | <p><b>Abiding by the law</b></p> <p>Members should comply with FSC Standards and expectations, other lawful regulations and industry Codes through their own policies and procedures, specifically through their Code of Conduct.</p>                                                                            |
| <p><b>Confidentiality</b></p> <p>Members should respect customer records and private information, and preserve and protect the privacy and confidentiality of this information.</p> <p>Proactive measures should be adopted to prevent the misuse of private information, data or intellectual property rights</p> <p>Members should preserve confidential information received through participating in FSC groups and processes.</p> | <p><b>FSC Standards and Guidance Notes</b></p> <p>FSC Full members should support all relevant FSC Standards.</p> <p>All members are encouraged to comply with the best practice advice contained in FSC Guidance Notes.</p> <p><a href="#">FSC Standard Fact Sheet</a></p> | <p><b>Conflicts of interest</b></p> <p>Adequately assess potential and manage existing internal and external Conflicts of Interest under the law.</p> <p>Ensure decision making behaviour is independent at an individual, business, entity, product or service level.</p> | <p><b>Whistleblowing</b></p> <p>Members should have appropriate compliant handling processes and ‘In confidence’ and safe, ‘whistle-blower-type’ reporting mechanisms.</p> <p>Members should instil a culture of ‘speaking up’ with concerns on inappropriate practices.</p> <p><a href="#">FSC Speak up</a></p> |

### Disclosure

Customer/ potential customer disclosure should be clear, concise and effective and in a manner consistent with relevant laws.

There should be sufficient disclosure on potential conflicts of interest and fees and charges. Other continuous disclosure or financial reporting should be timely and accurate.

If practicable, disclosure should extend **beyond** minimum requirements of any relevant law, and contain relevant information and be presented so that customers are able to make informed decisions and are not misled.

