



**Commercial & Asset  
Finance Brokers  
Association of Australia  
Limited**

ABN 32 129 490 133

**National Professional Body of the Equipment Finance Industry**

**Commercial & Asset Finance Brokers Association – Professional Standards  
Voting Members & Associate Members**

**Professional Standards**

CAFBA is committed to professional standards that promote the competency and integrity of its membership and which results in client and lender confidence in our members and the services they provide.

These professional standards apply to both CAFBA's Voting Members and Associate Members. There are five core standards, covering:

1. Professionalism
2. Duties to Clients
3. Business Management
4. Conflicts of Interest
5. Member Responsibilities

These five core standards, set out below, establish the minimum conduct standards CAFBA expects of its membership. CAFBA members are required to demonstrate their commitment to, and promotion of, these professional standards.

**Standard I: Professionalism**

**1.1 Knowledge of the Law**

Members are to proactively inform themselves of all laws, regulations, guidelines, Codes of Conduct and professional standards that apply to their businesses and professional memberships.

Where there is a conflict in requirements, Members are to comply with the higher standard.

Members must not knowingly avoid their legal and professional obligations or participate in any breach of the regulatory and professional obligations that apply to them and their businesses.

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## **1.2 Competence**

Members must be able to demonstrate the competence required to conduct their professional activities through relevant qualifications and training, documented risk and compliance policies and procedures, sound financial management and appropriate professional support, where required.

Members must hold the Certificate IV in Financial Services (Finance/Mortgage Broking) as a minimum educational qualification, should other relevant academic qualifications not be held.

Members must demonstrate the completion of a minimum of 20 hours continuing professional development during each year commencing 1 July, focussed on regulatory obligations, business development, dispute resolution and other competency related topics. The board may develop and inform members of acceptable criteria and standards for continuing professional development.

## **1.3 Independence and Objectivity**

Members must use reasonable care and sound, appropriately informed judgment to achieve and maintain independence and objectivity in their professional activities.

Members must not offer, solicit, or accept any gift, benefit, compensation or other form of consideration that could reasonably be expected to compromise their own or another's independence and objectivity. All commissions and other forms of remuneration and benefit are to be clearly disclosed to clients, if required under current law.

Each member is required to submit to the Secretariat when requested a copy of a National Police Check and credit report about them. The Secretariat may request this of a member no more frequently than once every 5 years. The Secretariat will refer to the Board any indications of dishonesty or potential insolvency in accordance with criteria specified by the Board.

## **1.4 Honest, efficient & fair conduct**

Members must conduct their professional activities honestly, efficiently and fairly, with the interests of both clients and staff being of paramount importance.

Members must not engage in any misconduct that reflects adversely on their professional reputation, integrity or competence or on the profession as a whole.

## **Standard 2: Duties to Clients**

### **2.1 Competence, Prudence, and Care**

Members must act for their clients' benefit and place their clients' interests before their employer's and/or their own interests.

Members must hold the competence to meet their clients' requirements and the capacity to exercise informed, prudent judgment in assisting clients. Where a member does not hold the required competence to deal competently with a client's requirements, the member will refer the client to an appropriately qualified professional.

## **2.2 Fair Dealing**

Members must deal fairly and objectively with all clients, avoiding any form of discrimination or any conflicts of interest in providing professional services.

Where a member believes they are unable to deal fairly or objectively with a client, the member will refer the client to another appropriately qualified professional.

## **2.3 Suitability**

Members must ensure the products and services offered to clients meet each client's requirements and objectives, so that clients are directed to suitable products and/or services. A client's requirements must be paramount, with the placement decision not influenced by member remuneration considerations.

Members must not make any misrepresentations, knowingly or otherwise, relating to client needs analyses, recommendations, product suitability or placement or about any other professional activities and/or services.

## **2.4 Client Management**

In managing clients, members must be able to demonstrate they have:

- (a) Made reasonable inquiries about a client's or prospective client's experience, risk appetite, financial objectives and financial constraints prior to making any product/service recommendations and placements
- (b) Obtained translator or other support services where the client is not confident in English or has some form of disadvantage
- (c) Determined the recommended product/service is suitable to the client's financial situation and consistent with the client's objectives and constraints before submitting an application
- (d) Assessed the suitability of the proposed products/services in the context of the client's overall financial position
- (e) Submitted an application only with the client's express permission
- (f) Documented the client's requirements, financial position and recommendations
- (g) Obtained relevant supporting documents that are current, accurate and reliable
- (h) Disclosed all commission payments, including benefits and referral fees, made to, or by, the member, as required by law
- (i) Kept the client informed of progress with the application
- (j) Honestly advised the client of any difficulties or the reasons for rejection of an application
- (k) Informed the client of their right to complain and how to lodge a complaint, should they wish
- (l) Managed complaints quickly and effectively
- (m) Securely filed the client's documentation, whether in hardcopy or electronic copy
- (n) Securely destroyed client records after statutory document retention periods have expired

## **2.5 Client Hardship**

Where a client in hardship seeks a member's assistance, the member will provide the client with details of their financier's hardship program, if relevant.

## **2.6 Confidentiality**

Members are to keep all client discussions, documents and information confidential and managed consistently with the Privacy Act and Credit Reporting Privacy Code.

## **2.7 Dispute Resolution**

Members are to maintain External Dispute Resolution Scheme membership as a condition of membership.

Members are to demonstrate they documented internal and external dispute resolution policies and procedures in place and promote their dispute resolution processes on their websites, in their offices and on all client directed documents (e.g. services contracts etc).

Dispute resolution policies and procedures are to meet the Australian Standards on complaint handling.

## **Standard 3: Business Management**

### **3.1 Employee & Management Integrity**

All members must act with integrity, ensuring their knowledge is comprehensive and current, their skills and abilities demonstrate competence and their business ethics ensures client confidence in the member and their business.

### **3.2 Risk and compliance programs**

Members will document risk and compliance programs that demonstrate compliance with the regulatory environment in which they operate and against which members can evaluate the quality of their services and overall business conduct.

### **3.3 Manager Responsibilities**

Members with managerial responsibilities are required to demonstrate all staff are appropriately trained and monitored to ensure compliance with the business's policies and procedures and to proactively identify any breaches of the risk and compliance framework.

### **3.4 Financial, technical and human resource adequacy**

Members should be able to demonstrate they have adequate financial, technical and human resources to run their businesses honestly, efficiently and fairly and to demonstrate high standards of professional competence.

### **3.6 Insurances & Compensation Arrangements**

At a minimum, members are to hold professional indemnity insurance that adequately covers the scope of the member's business. Members are to provide CAFBA with a copy of the policy upon request.

### **3.7 Record-keeping and Retention**

Members should develop and maintain appropriate record-keeping practices to support their analyses, recommendations and actions.

## **Standard 4: Conflicts of Interest**

### **4.1 Conflicts identification and disclosure**

Members should demonstrate they have identified all actual, and potential, conflicts of interest in their business model.

### **4.2 Mitigation/removal of conflicts**

Members should identify all actual, and potential, conflicts of interest in their business model and have taken steps to eliminate them where possible or mitigate their impact, if not.

### **4.3 Secret Commissions**

Members need to ensure clients have been fully informed about all remuneration paid to, or by, the member, including commissions, benefits and referrer payments.

## **Standard 5: CAFBA Member Responsibilities**

### **5.1 Member conduct obligations**

Member conduct must always promote the highest ethical and professional standards to which CAFBA subscribes.

The CAFBA Board may approve or vary conduct standards as it sees fit, in consultation with members. Members are required to comply with all conduct standards the Board approves, regardless of when membership commences.

Members will be requested to confirm they comply with the standards when renewing membership each year. Members may also be required to demonstrate they comply with one, or all, standards, from time to time.

Where members do not comply with CAFBA's conduct standards, the member may be required to show cause as to why their membership should not be cancelled. CAFBA's disciplinary policies and procedures will be followed to ensure fairness to all parties.

### **5.2 CAFBA promotion requirements/restrictions**

Any member, other than the CAFBA Chief Executive Officer or a CAFBA Board member, who is to formally represent CAFBA's in any forum must obtain permission from the Board or the Chief Executive Officer for that activity.

Where a member is involved in a presentation or meeting or similar event on CAFBA's behalf, or which refers to CAFBA, the content and/or representations must accurately reflect CAFBA's documented policies and positions. Members are not to represent their own positions as that of the Association.

Members are encouraged to use the CAFBA logo and promote their CAFBA membership in the course of the business. All promotional material must either be approved by the Chief Executive Officer prior to use or comply with CAFBA guidelines, if any.

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