

The Fiduciary Responsibilities of Financial Institutions and Financial Intermediaries and of Their Directors, Members of Boards, Principal Officers and Other Officers

Standard GEN. 10-18

made by NAMFISA under section 410(2)(cc) of the Financial Institutions and Markets Act, 2021

THE FIDUCIARY RESPONSIBILITIES OF FINANCIAL INSTITUTIONS AND FINANCIAL INTERMEDIARIES AND OF THEIR DIRECTORS, MEMBERS OF BOARDS, PRINCIPAL OFFICERS AND OTHER OFFICERS

(1) Citation of Standard

This Standard may be cited as Standard GEN. 10-18.

(2) Interpretation of Standard

This Standard applies to all financial institutions and financial intermediaries, and to their functionaries.

(3) Fiduciary Requirements

- (1) All financial institutions and financial intermediaries and their functionaries owe a fiduciary duty to existing or potential clients and investors.
- (2) A Financial institutions and financial intermediaries must:
 - (a) act at all times in the best interest of clients or investors;
 - (b) disclose to the client or investor all material information before entering into a transaction or relationship with the client or investor;
 - (c) avoid conflicts of interest in respect of clients or investors; and
 - (d) ensure that their functionaries act in accordance with the requirements of this Standard.

(4) Functionary

- (1) A functionary of a financial institution or financial intermediary must:

- (a) act in the best interest of clients or investors;
- (b) keep client or investor information confidential;
- (c) avoid conflicts of interest or manage unavoidable conflicts of interest with respect to the financial institution or financial intermediary concerned and its clients or investors;
- (d) fully and factually disclose all dealings with the financial institution, financial intermediary or other persons that may cause conflicts of interest with respect to clients or investors;
- (e) must make decisions affecting clients or investors based on reliable information and in good faith;
- (f) seek expert advice, where necessary, in dealing with client or investor affairs or transactions;
- (g) act with diligence, skill and care in executing client or investor requests or transactions;
- (h) manage the affairs of the financial institution or financial intermediary in a prudent manner so as not to prejudice clients or investors;
- (i) act lawfully and in accordance with the Act and governance framework of the financial institution or financial intermediary; and
- (j) provide material information to clients or investors whenever necessary or required to enable clients or investors to make informed decisions.

(5) Records

A Financial institutions and financial intermediaries and their functionaries must keep a record of material dealings involving clients or investors, in order to be in a position to demonstrate the execution of fiduciary duties.

The Standards were issued by NAMFISA on {date} and will come into effect on {date}.