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**SECURITIES (CONSUMER DUTY) RULES 2023**

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**SECURITIES (CONSUMER DUTY) RULES 2023**

**FSC Rules made by the Financial Services Commission under Section 93 of the Financial Services Act 2007 and Section 155 of the Securities Act 2005.**

## 1 Citation

These Rules may be cited as the Securities (Consumer Duty) Rules 2023.

## 2 Integrity

A licensee shall conduct its business with integrity.

## 3 Skill, care and diligence

A licensee shall conduct its business with due skill, care and diligence.

## 4 Management and advice

A licensee shall take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.

## 5 Financial prudence

A licensee shall maintain adequate financial resources.

## 6 Market conduct

A licensee shall observe proper standards of market conduct.

## 7 Consumer’s interest

A licensee shall pay due regard to the interest of its customers and treat them fairly.

## 8 Conflicts of interest

A licensee shall manage conflicts of interest fairly, both between itself and its customers and between customers and another client.

## 9 Customers’ relationship of trust

A licensee shall take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgment.

## 10 Client’s assets

A licensee shall arrange adequate protection for clients ‘assets when it is responsible for them.

## 11 Relationship with regulators

A licensee shall deal with its regulators in an open and cooperative way and must disclose to the Commission appropriately anything relating to the licensee of which the Commission would reasonably expect notice.

## 12 Delivery of good outcomes

A licensee shall act to deliver good outcomes for retail customers.

## 13 Personal recommendations, decisions to trade, etc.

(1) A licensee shall-

(a) take reasonable steps to ensure that a personal recommendation, or a decision to trade, is suitable for its client

(b) ensure that any life policy proposed is consistent with the client’s insurance demands and needs.

(2) When making the personal recommendation or managing his investments, the firm must obtain the necessary information regarding the client's-

(a) knowledge and experience in the investment field relevant to the specific type of designated investment or service;

(b) financial situation; and

(c) investment objectives;

so as to enable the firm to make the recommendation, or take the decision, which is suitable for the client and for a life policy, to propose a contract that is consistent with the client’s insurance demands and needs.

## 14 Market assessments

(1) A licensee shall ensure that consumers are sold the products or services that are most appropriate to them through a target market Assessment

(2) A licensee shall ensure that customers are not sold products and services that are not appropriate to them through a negative target market assessment.

## 15 Price and value

A licensee shall offer price and value for products and services service sold to a customer.

## 16 Understanding of service product

A licensee shall ensure that customer understands the service or product the licensee offers

## 17 Understanding of service product

A licensee shall provide customer support post sale.

## 18 Commencement

These Rules come into force on [ ].

Made by the Financial Services Commission on [\*]