

FINANCIAL CENTRE ASSOCIATION OF VANUATU
CONSTITUTION

CONTENTS

1. The Association
2. Aims and Objectives
3. Interpretation
4. Membership
5. Annual Subscriptions and Levies
6. Register of Members
7. Resignation of Member
8. Code of Conduct
9. Complaints against Members
10. Discipline of Member
11. Annual General Meeting
12. Special General Meetings
13. Convening of General Meetings
14. Member's Meetings
15. Proceedings at Meetings
16. Executive Committee
17. Election of Executive Committee
18. Procedure of Executive Committee
19. Duties of Secretary
20. Duties of Treasurer
21. Removal of Executive member
22. Cheques etc
23. Change of Constitution
24. Notices
25. Disposal of Assets
26. Indemnity

Appendices

1. Code of Conduct
2. New Membership Rules
3. Application for Membership Form
4. Proxy Form
5. Nomination for Election to Executive Committee

FINANCIAL CENTRE ASSOCIATION OF VANUATU
CONSTITUTION

1. The Association

The organisation (including its Members at the date of adopting this Constitution) known as the Financial Centre Association of Vanuatu (“Association”) is continued in existence.

2. Aims and Objectives

2.1 The aims and objectives of the Association are to provide a forum for its Members for discussion and action on matters that affect the financial industry (both onshore and offshore) in Vanuatu with a view to promoting the interests of the financial industry.

2.2 The Association will work towards improving the image and influence of the financial industry in Vanuatu by:

- (a) representing Members on specific issues requiring an industry focus
- (b) developing with Members an industry position on major issues specifically affecting the financial industry in Vanuatu
- (c) providing public and media commentary on industry issues where direct Association input is required
- (d) liaising regularly with relevant government departments or statutory bodies.

3. **Interpretation**

In this Constitution, unless the contrary intention appears:

“**Executive**” means the Executive Committee.

“**Financial year**” means the year ending on 31 December.

“**Member**” means a member of the Association.

“**Executive member**” means a member of the Executive Committee.

“**Days**” means days on which domestic retail banks are open for business in Port Vila.

4. **Membership**

4.1 The following entities, holding a current business, banking, trust company, insurance or security dealer’s licence in Vanuatu, are eligible for membership:

- (a) Banks
- (b) Trust companies
- (c) Law firms
- (d) Accounting firms
- (e) Insurance underwriters, agents and brokers
- (f) Any other company, firm or person engaged in the financial industry whose application for membership is approved by the Executive after due consideration of their bona-fides and of the benefit to the Association of their potential membership.

4.2 Application for membership of the Association:

- (a) shall be made in writing in the form in Appendix 3 and shall include the information set out in Appendix 2 ; and
- (b) shall be lodged with the Secretary of the Association.

4.3 As soon as is practicable after the receipt of a membership application, the Secretary shall refer the application to the Executive.

4.4 Upon an application for membership being referred to the Executive, the Executive shall seek further information as may be necessary for them to determine whether to approve or to reject the application.

- 4.5 Upon an application for membership being approved by the Executive, the Secretary shall, within seven (7) days, notify the applicant in writing that they are approved for membership of the Association and request payment within the period of fifteen (15) days after receipt of the notification of the sums payable under this Constitution.
- 4.6 Upon payment of the amounts referred to in sub-clause 4.5 within the period referred to in that sub-clause, the applicant becomes a member of the Association and the Secretary shall enter their name in the register of members.
- 4.7 A right, privilege, or obligation of an entity or person by reason of their membership of the Association:
- (a) is not capable of being transferred or transmitted to another person; and
 - (b) terminates upon the cessation of the membership whether by death or resignation, bankruptcy or liquidation, or otherwise.

5. **Annual Subscription and Levies**

- 5.1 The annual subscription is set by the Members at the annual general meeting and is payable on or before the 15th day of April in each year.
- 5.2 New Members shall pay a first year pro-rata annual subscription for the period beginning on the first day of the month in which they become a Member and ending at the close of the financial year.
- 5.3 Additional sums may be levied on Members to meet specific expenditure requirements of the Association as and when the need arises and:
- (a) each levy shall be determined by a special general meeting, and
 - (b) the levy shall be payable by Members within the time frame set by the special general meeting
- 5.4 Any Member whose subscriptions or levy are three (3) months in arrears shall cease to be a Member of the Association if so decided by the Executive.

6. **Register Of Members**

- 6.1 The Secretary shall keep and maintain a register of Members in which shall be entered the full name, address and date of entry of the name of each Member and the register shall be available for inspection by Members at the address of the Association.

7. Resignation Of Member

7.1 A Member of the Association may resign from the Association at any time.

7.2 No subscriptions or part thereof will be refunded.

8. Code of Conduct

8.1 All Members shall subscribe to the Code of Conduct as set out in Appendix 1.

8.2 The Code of Conduct can be amended by a special general meeting.

8.3 Any resolution to amend the Code of Conduct must be passed by two thirds of the Members (being members entitled under this Constitution to vote) present in person or by proxy.

9. Complaints against Members

9.1 The Executive will deal with any written complaints against Members on a timely basis.

9.2 As soon as is practicable after the receipt of a written complaint against a Member, the Secretary shall refer the complaint to the Executive.

9.3 Upon a complaint being referred to the Executive, the Executive shall meet within ten (10) days and review the complaint.

9.4 If the Executive determine that the complaint is frivolous, vexatious or without merit, the Executive may resolve to take the matter no further and shall advise the complainant of the decision.

9.5 If the Executive decides the complaint has merit, the Executive shall proceed with the determination of the complaint and determine the process to be used to address the complaint and the timeframe in which this will be completed.

9.6 Subject to potential conflict of interest, the Executive shall endeavour to ensure that the committee considering the complaint includes a Member from the relevant industry segment.

9.7 Upon the process having been determined by the Executive, the Secretary, with as little delay as possible advise the Member in writing:

(a) that a complaint has been received (including providing a copy of the complaint to the Member) and,

(b) the process that the Executive will use to deal with that complaint.

- 9.8 The Executive will request the Member to provide a written response to the complaint within ten (10) days.
- 9.9 The Executive may also make such other enquiries as it deems appropriate to get information in relation to the subject of the complaint.
- 9.10 Within ten (10) days of having received all relevant information to deal with the complaint, the Executive shall decide whether or not disciplinary action should be taken against the Member .
- 9.11 As part of the process of considering the complaint the Executive shall give to both parties the opportunity to attend a meeting of the Executive to state their respective cases.
- 9.12 The Executive shall advise the Member in writing of their decision (including the resolution of the Executive under sub-clause 10.1 within five (5) days after having made the decision.
- 9.13 Any disciplinary action will be taken in accordance with clause 10.

10. **Discipline Of Member**

10.1 By way of disciplinary action, the Executive may by resolution:

- (a) expel a Member from the Association ;
 - (b) suspend a Member from membership of the Association for a specified period; or
 - (c) reprimand a Member,
- if the Executive is of the opinion that the Member,
- (d) has refused or neglected to comply with this Constitution; or
 - (e) has been guilty of conduct unbecoming a Member or prejudicial to the interests of the Association; or
 - (f) has breached the Code of Conduct.

10.2 The resolution shall not take effect until:

- (a) the appeal period referred to in sub-clause 10.4 has expired and no appeal has been lodged; or
- (b) if an appeal is lodged, unless and until the resolution is confirmed by the general meeting pursuant to sub-clause 10.6(a).

- 10.3 A resolution of the Executive under sub-clause 10.1 may be appealed against by the relevant Member.
- 10.4 An appeal must be lodged with the Secretary within 20 days after receipt of the notice under sub-clause 9.12.
- 10.5 Where the Secretary receives a notice of appeal under sub-clause 10.4, he or she shall notify the Executive and the Executive shall convene a general meeting of the Association to be held within twenty (20) days after the date on which the Secretary received the notice.
- 10.6 At a general meeting of the Association convened under sub-clause 10.5 :
- (a) no business other than the question of the appeal shall be transacted;
 - (b) the Executive may place before the meeting details of the grounds for the resolution and the reasons for the passing of the resolution;
 - (c) the Member shall be given an opportunity to be heard; and
 - (d) the Members present shall vote by secret ballot on the question whether the resolution should be confirmed or revoked.
- 10.7 If at the general meeting -
- (a) two thirds of the Members (being Members entitled under this Constitution to vote) vote in person or by proxy in favour of the confirmation of the resolution, the resolution is confirmed; and
 - (b) in any other case, the resolution is revoked.

11. **Annual General Meeting**

- 11.1 The Association shall in each calendar year convene an annual general meeting of its members. The meeting shall be held by 31 March.
- 11.2 The annual general meeting shall be held on such day as the Executive determines.
- 11.3 The annual general meeting shall be specified as such in the notice convening it.
- 11.4 The ordinary business of the annual general meeting shall be:
- (a) to confirm the minutes of the preceding annual general meeting and of any general meeting held since that meeting;
 - (b) to receive from the Executive reports (including the financial statements) upon the operations of the Association during the last preceding financial year; and

(c) to elect members of the Executive.

11.5 The annual general meeting may transact special business of which notice is given in accordance with this Constitution.

11.6 The annual general meeting shall be in addition to any other general meetings that may be held in the same year.

12. **Special General Meetings**

12.1 All general meetings other than the annual general meeting shall be called special general meetings.

12.2 The Executive may, whenever it thinks fit, convene a special general meeting of the Association.

12.3 The Executive shall, on the requisition in writing of Members representing not less than twenty five (25) per cent of the total number of Members, convene a special general meeting of the Association.

12.4 The requisition for a special general meeting shall state the objects of the meeting and shall be signed by the Members making the requisition and be sent to the Secretary and may consist of several documents in a like form, each signed by one or more of the Members making the requisition.

12.5 If the Executive does not cause a special general meeting to be held within twenty (20) days after the date on which the requisition is sent to the Secretary, the Members making the requisition, or any of them, may convene a special general meeting to be held not later than twenty (20) days after that date.

12.6 A special general meeting convened by Members shall be convened in the same manner as nearly as possible as that in which those meetings are convened by the Executive and all reasonable expenses incurred in convening the meeting shall be refunded by the Association to the persons incurring the expenses.

13. Convening Of General Meetings

- 13.1 The Secretary of the Association shall, at least ten (10) days before the date fixed for holding a general meeting of the Association, cause to be sent to each Member of the Association a notice stating the place, date and time of the meeting and the nature of the business to be transacted at the meeting.
- 13.2 No business other than that set out in the notice convening the meeting shall be transacted at the meeting.
- 13.3 A Member desiring to bring any business before a meeting may give notice of that business in writing to the Secretary, who shall include that business in the notice calling the next general meeting after the receipt of the notice.

14. Members' Meetings

- 14.1 The Executive shall convene a regular (monthly where practicable) Members' meeting which shall require no quorum.
- 14.2 The Executive shall report to the Members on all current matters and the Secretary shall keep minutes of the meeting.
- 14.3 A Members' meeting shall be deemed to be a general meeting if so designated and is done in accordance with clause 13.
- 14.4 If all Members are present and unanimously agree, the notice requirements under clause 13 can be waived and the meeting shall become a general meeting.

15. Proceedings At Meetings

- 15.1 All business that is transacted at a special general meeting and all business that is transacted at the annual general meeting with the exception of that specially referred to in this Constitution as being the ordinary business of the annual general meeting shall be deemed to be special business.
- 15.2 No item of business shall be transacted at a general meeting unless a quorum of members entitled under this Constitution to vote is present during the time when the meeting is considering that item.
- 15.3 Ten (10) Members present in person or by proxy (being Members entitled under this Constitution to vote at a general meeting) constitute a quorum for the transaction of the business of a general meeting.

- 15.4 If within half an hour after the appointed time for the commencement of a general meeting a quorum is not present, the meeting if convened upon the requisition of Members shall be dissolved and in any other case shall stand adjourned to the same day in the next week at the same time and (unless another place is specified by the Chairperson at the time of the adjournment or by written notice to Members given before the day to which the meeting is adjourned) at the same place and if at the adjourned meeting the quorum is not present within half an hour after the time appointed for the commencing of the meeting, the Members present (being not less than five (5)) shall be a quorum.
- 15.5 The Chairperson, or in his or her absence, the Vice-Chairperson, shall preside as Chairperson at each general meeting of the Association.
- 15.6 If the Chairperson and the Vice-Chairperson, are absent from a general meeting, any one of the remaining Executive members shall preside as Chairperson at the meeting.
- 15.7 The Chairperson of a general meeting at which a quorum is present may, with the consent of the meeting, adjourn the meeting from time to time and place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place.
- 15.8 Where a meeting is adjourned for ten (10) or more days, a like notice of the adjourned meeting shall be given as in the case of the general meeting.
- 15.9 Except as provided in sub-clauses 15.7 and 15.8, it is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 15.10 A question arising at a general meeting of the Association shall be determined on a show of hands and unless before or on the declaration of the show of hands a poll is demanded, a declaration by the Chairperson that a resolution has, on a show of hands, been carried or carried unanimously or carried by a particular majority or lost, and an entry to that effect in the minute of the Association is evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.
- 15.11 Upon any question arising at a general meeting of the Association, a Member has one vote only.
- 15.12 All votes shall be given personally or by proxy.
- 15.13 In the case of an equality of voting on a question, the Chairperson of the meeting is entitled to exercise a second or casting vote.
- 15.14 If at a meeting a poll on any question is demanded by not less than three (3) Members, it shall be taken at that meeting in such manner as the Chairperson may direct and the resolution of the poll shall be deemed to be a resolution of the meeting on that question.
- 15.15 A poll that is demanded on the election of a Chairperson or on a question of an adjournment shall be taken forthwith and a poll that is demanded on any other question shall be taken at such time before the close of the meeting as the Chairperson may direct.

- 15.16 A Member is not entitled to vote at any general meeting unless all moneys due and payable by the Member to the Association have been paid, other than the amount of the annual subscription payable in respect to the current financial year.
- 15.17 Each Member shall be entitled to appoint another Member as his or her proxy by notice given to the Secretary no later than 24 hours before the time of the meeting in respect of which the proxy is appointed.
- 15.18 The notice appointing the proxy shall be in the form set out in Appendix 4.

16. **Executive Committee**

- 16.1 The affairs of the Association shall be managed by an Executive Committee constituted as provided in sub-clause 16.3.
- 16.2 The Executive:
- (a) shall control and manage the business and affairs of the Association;
 - (b) may, subject to this Constitution , exercise all such powers and functions as may be exercised by the Association (other than those powers and functions that are required by this Constitution to be exercised by general meetings of the Members of the Association); and
 - (c) subject to this Constitution , has power to perform all such acts and things as appear to the Executive to be essential for the proper management of the business and affairs of the Association.
 - (d) shall act in accordance with a resolution of Members passed at a general meeting.
 - (e) may appoint sub-committees for such purposes as they may from time to time deem necessary.
 - (f) the Executive shall set out clear terms of reference for any sub-committees they appoint pursuant to sub-clause 16.2(e) including the tenure of members of the sub-committee.

16.3 The Executive shall consist of -

- (a) the Executive Officers of the Association; and
- (b) one ordinary member

each of whom shall be elected at the annual general meeting of the Association in each year from among the Members.

16.4 The Executive Officers of the Association shall be:

- (a) a Chairperson;
- (b) a Vice-Chairperson;
- (c) a Treasurer; and
- (d) a Secretary .

16.5 Each Executive member shall assume office upon the close of the annual general meeting and shall hold office until the annual general meeting next after the date of his or her election.

16.6 In the event of a casual vacancy in the Executive referred to in sub-clause 16.3 the Executive may appoint a Member to the vacant office and the Member so appointed may continue in office up to and including the conclusion of the annual general meeting next following the date of his or her appointment. Where possible the Member chosen will be from the same industry segment as the person they are replacing.

16.7 If, without the approval of the Executive, an Executive member misses three (3) consecutive meetings or three (3) meetings in one calendar year, the Executive shall expel the Executive member from the Executive.

17. **Election Of Executive Committee**

17.1 Nominations of candidates for election as members of the Executive:

- (a) shall be made in writing, using the form in Appendix 5, signed by two Members of the Association and accompanied by the written consent of the candidate (which may be endorsed on the form of nomination) ; and
- (b) shall be delivered to the Secretary of the Association not less than seven (7) days before the date fixed for the holding of the annual general meeting.

17.2 If insufficient nominations are received to fill all vacancies on the Executive, the candidates nominated shall be deemed to be elected and further nominations shall be received at the annual general meeting.

- 17.3 If the number of nominations received is equal to the number of vacancies to be filled, the persons nominated shall be deemed to be elected.
- 17.4 If the number of nominations exceeds the number of vacancies to be filled, a ballot shall be held.
- 17.5 The ballot for the election of members of the Executive shall be conducted at the annual general meeting by the current Secretary in such usual and proper manner as the Executive may direct subject to clauses 17.6 and 17.7.
- 17.6 The voting procedure shall be as follows:
- (a) If the number of candidates is greater than five (5), Members can only vote for five (5) candidates, being the number of Executive members required.
 - (b) If the number of candidates is less than five (5), Members can only vote for that number of candidates being the balance of Executive members required after the operation of clause 17.2.
 - (c) Members can only vote once for any one candidate.
 - (d) Only financial Members can vote.
 - (e) All votes shall be given personally or by proxy.
 - (f) A Executive member (as decided by the Executive prior to the annual general meeting) shall be the scrutineer.
- 17.7 The election of the Executive is subject to the following:
- (a) Subject to sub-clause 17.7(c), a Member can only be a an Executive member for 3 consecutive years.
 - (b) In the event the Member serves 3 consecutive years they will not be eligible to be an Executive member until the lapse of 2 years from the last day as an Executive member.
 - (c) A Member who is vacating his or her position as a result of sub-clause 17.7 (a), shall not be prevented from being elected if the position would otherwise remain vacant.
 - (d) To ensure diversity, the final composition of the Executive must reflect at least four of the industry segments set out in sub-clause 4.1.
 - (e) Members from each industry segment may be nominated by any other Member or by other Members from the relevant industry segment.

- (f) It is not the responsibility of the Association to prescribe how each industry segment will choose a Member to nominate for the relevant industry sector.
- 17.8 The newly elected members of the Executive shall meet within five (5) days of being elected and shall appoint the Executive Officers in sub-clause 16.4.
- 17.9 The Executive, in appointing the Chairperson, shall ensure that the same person is not Chairperson for more than 2 consecutive years.
- 17.10 If the Executive believe that to ensure continuity it is appropriate to do so, they may request the immediate past Chairperson to be part of the Executive on an ex-officio basis.
- 17.11 Each Executive member shall nominate an alternate to act in his or her absence during his or her term of office.
- 17.12 The person nominated should be a Member of the Association, not a person from the Executive member's own business/organisation.
- 17.13 In choosing an alternate the Executive member should have regard to the person's understanding of the affairs of the Association and the industry segment that the Executive member is from.
- 17.14 As soon as practicable after the appointments in 17.8, the Executive shall advise the Members who has been appointed as Executive Officers.
- 18. Procedure Of Executive Committee**
- 18.1 The Executive shall meet at least four (4) times in each year at such place and such times as the Executive may determine.
- 18.2 Special meetings of the Executive may be convened by the Chairperson or by any three (3) of the Executive members.
- 18.3 Notice shall be given to members of the Executive of any special meeting specifying the general nature of the business to be transacted and other business shall be transacted at such a meeting.
- 18.4 Any three (3) Executive members constitute a quorum for the transaction of the business of a meeting of the Executive.
- 18.5 No business shall be transacted unless a quorum is present and if within half an hour of the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the same place and at the same hour of the same day in the following week unless the meeting was a special meeting in which case it lapses.
- 18.6 At meetings of the Executive:

- (a) the Chairperson or in his or her absence the Vice-Chairperson shall preside; or
 - (b) if the Chairperson and the Vice-Chairperson are absent, such one of the remaining Executive members as may be chosen by the members present shall preside.
- 18.7 Questions arising at a meeting of the Executive shall be determined on a show of hands or, if demanded by an Executive member, by a poll taken in such manner as the person presiding at the meeting may determine.
- 18.8 Each Executive member present at a meeting of the Executive (including the person presiding at the meeting) is entitled to one vote and, in the event of an equality of votes on any question, the person presiding may exercise a second or casting vote. Ex-officio members are not entitled to vote.
- 18.9 Written notice of each Executive meeting shall be served on each Executive member by delivering it to him or her at a reasonable time before the meeting.
- 18.10 Subject to sub-clause 18.4 the Executive may act notwithstanding any vacancy on the Executive.
- 18.11 An Executive member who has a pecuniary or special interest in a matter before the Executive shall, as soon as practicable after the relevant facts have come to his or her knowledge, declare his or her interest at the relevant Executive meeting.
- 18.12 The Chairperson may, if he or she believes it necessary to do so, ask the Executive member to leave the meeting whilst the matter is being discussed.
- 18.13 The Executive member shall not vote in respect of a resolution in which they have declared their interest.
- 18.14 The minutes of the meeting will record the disclosure of the conflict of interest.
19. **Duties Of Secretary**
- 19.1 The Secretary of the Association shall keep minutes of the resolutions and proceedings of each general meeting, each Executive meeting and each Member's meeting in books provided with a record of the names of persons present at the meetings.
- 19.2 As soon as practicable after each meeting the Secretary of the Association shall circulate a copy of the minutes to all Members.
- 19.3 Except as otherwise provided in this Constitution, the Secretary shall keep in his or her custody or under his or her control all books, documents and securities of the Association.

20. **Duties Of Treasurer**

20.1 The Treasurer of the Association:

- (a) shall collect and receive all moneys due to the Association and make all payments authorised by the Association; and
- (b) shall keep correct accounts and books showing the financial affairs of the Association with full details of all receipts and expenditure connected with the activities of the Association.

20.2 The accounts and books referred to in sub-clause 20.1 shall be available for inspection by Members.

21. **Removal Of Executive member**

21.1 The Association in general meeting may by resolution remove any Executive member before the expiration of his or her term of office and appoint another Member in his or her stead to hold office until the expiration of the term of the first-mentioned member.

21.2 Where the Executive member to whom a proposed resolution referred to in sub-clause 21.1 makes representations in writing to the Secretary or Chairperson of the Association (not exceeding a reasonable length) and requests that they be notified to the Members of the Association, the Secretary or the Chairperson may send a copy of the representations to each Member of the Association or, if they are not so sent, the member may require that they be read out at the meeting.

22. **Cheques Etc.**

22.1 All cheques, drafts, bills of exchange, promissory notes and other negotiable instruments shall be signed by two Executive members or on another basis as approved by the Executive, provided such basis affords reasonable control over the use of all negotiable instruments.

23. **Change Of Constitution**

23.1 This Constitution may be amended by a resolution at a special general meeting of the Association.

23.2 Any resolution to amend the Constitution must be passed by two thirds of the Members (being Members entitled under this Constitution to vote) present in person or by proxy.

24. **Notices**

24.1 A notice may be served by or on behalf of the Association upon any Member either personally or by sending it by post to the Member at the address shown in the Register of Members or by sending it by facsimile to the Member at the facsimile number shown on the Member's letterhead .

25. **Disposal Of Assets**

25.1 In the event of the winding up of the Association, if any property remains after satisfaction of the debts and liabilities of the Association and the cost, charges and expenses of that winding up, that property shall be distributed evenly amongst the current Members of the Association listed in the register of members at the date of the winding up.

26. **Indemnity**

26.1 Every Executive member and other officer for the time being of the Association shall be indemnified out of the assets of the Association against any liability incurred by him or her in any civil proceedings or in defending any criminal proceedings.

APPENDIX 1 (Clause 8)
FINANCIAL CENTRE ASSOCIATION OF VANUATU
CODE OF CONDUCT

Introduction

It is the Association's aim to develop Vanuatu as one of the premier offshore centres. With that aim in mind this Code of Conduct has been prepared for use by Members so that despite their different disciplines, they may operate their businesses in a consistent and ethical manner that benefits not only themselves but also their clients, fellow Members generally and enhances the reputation of Vanuatu as an offshore centre.

This Code seeks to establish a series of principles to which each Member can subscribe regardless of their particular discipline. It is not the function of this Code to dictate precisely what each Member must do in particular circumstances. Clearly, the obligations of a trust company or a financial institution or an accountant or lawyer are different and they each may well have different statutory duties. Nevertheless, we believe that there are some basic common ground rules that ought to be applied by all the Members of the Association.

1. ETHICAL STANDARDS

All Members shall strive to promote the highest ethical standards in relation to conduct of their own and their clients affairs by adhering to the provisions of this Code, any relevant professional ethical standards and of the laws of Vanuatu.

All Members have an obligation to exercise reasonable care in relation to the acceptance and monitoring of business transactions. In particular, before undertaking to provide to a client (who must be clearly identified) any service or advice in relation to any proposal, the member must take and document such reasonable steps as are appropriate in the individual circumstances to establish:

- (a) that the client is of good repute and the activity the Member is required to undertake is similarly reputable in the sense that it is a lawful activity under the laws and regulation of Vanuatu;
- (b) the source of the client's funds;
- (c) nothing relating to the activity contravenes any laws of Vanuatu.

It is expected that each Member will actively monitor all transactions for which they are responsible and be satisfied as to their propriety to the extent that other Members who may be involved in a peripheral manner may, subject to their own requirements as to due diligence, rely upon their fellow Members investigations.

Members are reminded that under the laws of Vanuatu they are under various obligations to assist the authorities in the identification and suppression of illegal activities.

2. **CONFIDENTIALITY**

A Member shall not disclose information about a client or the client's affairs whether it be to other Members or to third parties without the prior authority of the client.

In the absence of express authority from the client, a Member will only disclose matters relating to a client's affairs once the member is obliged to do so by a binding court order or other statutory obligation.

3. **INTEGRITY**

A Member shall observe high standards of honesty, integrity and fairness in all dealings and shall not conduct themselves in any manner which is likely to bring either themselves or the Association into disrepute.

4. **SKILL, CARE AND DILIGENCE**

A Member shall act in a timely manner and with appropriate skill, care and diligence in the conduct of client affairs.

A Member is also responsible for ensuring that the professional standards of the staff under his or her supervision are adequate to safeguard client affairs and to take all reasonable steps to ensure that their staff are aware of these ethical rules and comply with them.

5. **INFORMATION FOR CLIENTS**

A Member shall take all appropriate steps to keep the client fully informed in a timely and appropriate manner as to any transactions undertaken on behalf of the client and as to any developments in professional practice and legislation relevant to the client's affairs.

6. **CONFLICT OF INTEREST**

A Member shall use all reasonable endeavours to avoid any conflict or potential conflict of interest arising as between the Member and the client or as between clients. A Member must not unfairly place their own commercial interests above those of the client. Once a Member becomes aware of any conflict or potential conflict the extent and nature of such conflict must immediately be disclosed to the relevant parties.

In the event a conflict develops, it is acknowledged that it is best practice to cease to act for all the clients concerned but this may not always be possible. Where any transaction

with a new client involves existing clients it is the duty of the Member to advise the new client in writing of the possible conflict and how a conflict will be dealt with if it arises.

7. **CLIENT ASSETS**

Where a Member or the Member's organisation is responsible for assets which belong to a client, the Member should arrange for appropriate protection of the assets by way of segregation and identification or otherwise in accordance with the terms of responsibility which the Member has accepted.

8. **PROFESSIONAL PRACTICE**

A Member should treat fellow Members with the utmost courtesy and fairness, and observe any relevant legislation code or rules applicable to its business.

In dealing with Members whose business is a professional discipline other than the Member's own, the Member is not excused from extending the same courtesy and good manners to other Members as would apply to fellow professionals.

9. **FINANCIAL RESOURCES**

Each Member is expected to ensure that they maintain adequate financial resources or otherwise make adequate provision to meet their business commitments.

Each Member is expected to maintain during membership a Professional Indemnity insurance policy, with a limit of indemnity commensurate with the Member's professional category, and covering all business activities of the Member.

10. **INTERNAL ORGANISATION**

Each Member shall organise their internal business affairs in a responsible manner keeping appropriate and accurate records and ensure that their staff are adequately trained and supervised to ensure the requirements under this Code may be met by the Member.

11. **RELATIONS WITH REGULATORS**

A Member should deal with any regulatory authority in an open and co-operative manner so as to fully comply with any relevant Vanuatu legislation.

12. **DISCIPLINARY PROCEEDINGS**

In the event that in the reasonable opinion of the Executive Committee, a Member is considered to have wilfully or repeatedly breached the Code of Conduct, the Executive Committee must take action in accordance with Clause 10 of the Constitution.

APPENDIX 2 (Clause 4)
FINANCIAL CENTRE ASSOCIATION OF VANUATU
NEW MEMBERSHIP RULES

A. Prerequisites of all applications.

1. A letter of application setting out
 - a. The reasons for wishing to join.
 - b. The industry group to which they belong.
 - c. The names and addresses of all ultimate beneficial owners, unless the applicant is publicly listed, and in such case a statement of that fact and the place (s) of listing.
 - d. The length of time the applicant has been established in Vanuatu.
2. A nomination from two existing Members, at least one of which has no contractual relationship to the applicant.
3. A copy of whatever Vanuatu government license (s) the applicant holds, including any restrictions thereon.

B. Additional requirements for applicants who are banks.

1. Be registered under the Banking Act (or International Banking Act when it is passed) or the Financial Institutions Act.
2. Establishment of a bona-fide track record and submission of latest audited balance sheet, or letter from the applicant's auditor setting out the paid up capital and total shareholder funds.
3. Obtaining by the Executive of the views of each Bank Member as to the fitness of the applicant to be a Member.
4. Recognition of the international banking community that it is a bona-fide banking organisation.

C. Additional requirements for applicants who are Trust or Insurance Companies, Insurance Brokers/Agents, or Investment Dealers/Advisors.

1. Be registered under either the Trust Companies Act, the Insurance Act or the Prevention of Fraud (Investments) Act.
2. Submission of latest audited balance sheet, or letter from the applicant's auditor setting out the paid up capital and total shareholder funds.
3. Obtaining by the Executive Committee of the views of each Trust Co., Insurance Co./broker/agent or Investment dealer/advisor Member, as the case may be, as to the fitness of the applicant to be a Member.

D. Additional requirements for applicants who are lawyers or accountants.

1. Be holders of a current business licence as lawyers or accountants.
2. Obtaining by the Executive Committee of the views of each lawyer or accountant Member, of the same profession as the applicant, as to the fitness of the applicant to be a Member.

E. As a general rule, applicants should have not less than one full year's trading in Vanuatu. This rule may be waived for applicants which are a branch/subsidiary of or associate company of or licensee of a well known international organisation.

F. Applicants should not be granted membership if it is felt by the Executive Committee that the applicant's primary purpose of applying for membership is to gain status for itself or its group of organisations.

APPENDIX 3 (Clause 4)
FINANCIAL CENTRE ASSOCIATION OF VANUATU
APPLICATION FOR MEMBERSHIP

I,.....
(Full name of Applicant)

of.....
(Address)

.....
desire to become a Member of the Financial Centre Association of Vanuatu.

.....
(Industry category per Clause 4)

In the event of my admission as a Member, I agree to be bound by the rules of the Association (including the Code of Conduct) for the time being in force.

.....
Signature of Applicant

Date

I,.....a Member of the
Financial Centre Association of Vanuatu, nominate the Applicant, who is personally known to me, for
Membership of the Association.

.....
Signature of Proposer

Date.....

I,.....a Member of the
Financial Centre Association of Vanuatu, second the nomination of the Applicant, who is personally known
to me, for Membership of the Association.

.....
Signature of Seconder

Date.....

APPENDIX 4 (Clause 15)
FINANCIAL CENTRE ASSOCIATION OF VANUATU
FORM OF APPOINTMENT OF PROXY

I.....of.....
(Member Name) (Member Address)

being a Member of the Financial Centre Association of Vanuatu

hereby

appoint.....of.....
(Chairperson or Individual or Member Name) (Member Name and Address)

being a Member of the Association, as my proxy to vote for me on my behalf at the general meeting of the Association (annual general meeting or special general meeting, as the case may be) to be held on theday of.....20...and at any adjournment of that meeting.

My proxy may vote or abstain from voting as he or she wishes.

This proxy is only to take effect if
(Chairperson or Name of Individual or Name of Member)

is not personally in attendance at the general meeting.

Signed.....

Date.....

APPENDIX 5 (Clause 18)
FINANCIAL CENTRE ASSOCIATION OF VANUATU
NOMINATION FOR EXECUTIVE

We, _____ of _____
and _____ of _____
hereby nominate _____
of _____
to be a member of the Executive for the coming year.

CONSENT TO NOMINATION AND DECLARATION

I, _____, hereby consent to my nomination for a position on the Executive Committee of the Financial Centre Association of Vanuatu (FCAV).

I acknowledge that if elected I am bound to act in the best interests of the FCAV as a whole, and accordingly, I hereby declare that:

(a) I am not an office bearer of any other financial sector organisation;

or

I am an office bearer of the following financial sector organisations:

(b) I agree to be bound by the FCAV Code of Conduct;

(c) As soon as I become aware of any actual or potential conflict of interest between my duties as an Executive Committee member and my interests arising from any other activities I may engage in (including as an employee or in business on my own account), I will advise the Executive Committee that such conflict has arisen and such conflict will be dealt with in accordance with Clause 19 of the Constitution.

(d) During my period of office as an Executive Committee member, I undertake to advise the Executive Committee of any appointment as an officer of any other like association, and I undertake to be bound by the provisions as to conflict set out above.

Signed.....

Date.....