

SCHEDULES

SCHEDULE 8

Section 114.

PRINCIPLES APPLICABLE TO DESIGNATED AGENCY'S RULES AND REGULATIONS

Standards

- 1 The rules made under section 48 of this Act (in this Schedule referred to as "conduct of business rules") and the other rules and regulations made under Part I of this Act must promote high standards of integrity and fair dealing in the conduct of investment business.
- 2 The conduct of business rules must make proper provision for requiring an authorised person to act with due skill, care and diligence in providing any service which he provides or holds himself out as willing to provide.
- 3 The conduct of business rules must make proper provision for requiring an authorised person to subordinate his own interests to those of his clients and to act fairly between his clients.
- 4 The conduct of business rules must make proper provision for requiring an authorised person to ensure that, in anything done by him for the persons with whom he deals, due regard is had to their circumstances.

Disclosure

- 5 The conduct of business rules must make proper provision for the disclosure by an authorised person of interests in, and facts material to, transactions which are entered into by him in the course of carrying on investment business or in respect of which he gives advice in the course of carrying on such business, including information as to any commissions or other inducements received or receivable from a third party in connection with any such transaction.
- 6 The conduct of business rules must make proper provision for the disclosure by an authorised person of the capacity in which and the terms on which he enters into any such transaction.
- 7 The conduct of business rules, or those rules and rules under section 51 of this Act, must make proper provision for requiring an authorised person who in the course of carrying on investment business enters or offers to enter into a transaction in respect of an investment with any person, or gives any person advice about such a transaction, to give that person such information as to the nature of the investment and the financial implications of the transaction as will enable him to make an informed decision.
- 8 Rules made under section 48 of this Act regulating action for the purpose of stabilising the price of investments must make proper provision for ensuring that where action is or is to be taken in conformity with the rules adequate arrangements exist for making known that the price of the investments in respect of which the action is or is to be taken (and, where relevant, of any other investments) may be

Status: This is the original version (as it was originally enacted).

affected by that action and the period during which it may be affected; and where a transaction is or is to be entered into during a period when it is known that the price of the investment to which it relates may be affected by any such action the information referred to in paragraph 7 above includes information to that effect.

Protection

- 9 The conduct of business rules and any regulations made under section 55 of this Act must make proper provision for the protection of property for which an authorised person is liable to account to another person.
- 10 Rules made under sections S3 and 54 of this Act must make the best provision that can reasonably be made under those sections.

Records

- 11 The conduct of business rules must require the keeping of proper records and make provision for their inspection in appropriate cases.

Classes of investors

- 12 The conduct of business rules and the other rules and regulations made under Chapter V of Part I of this Act must take proper account of the fact that provisions that are appropriate for regulating the conduct of business in relation to some classes of investors may not (by reason of their knowledge, experience or otherwise) be appropriate in relation to others.