



Code of Practice

A Overall

A1. Integrity

A TACT member must conduct its business with integrity.

A1.1 Members will ensure that their key persons and officers work with the highest integrity at all times and that actions of individuals are subject to peer review and challenge.

A1.2 Segregation, identification and safeguarding of trust assets is paramount.

A2. Trust Conformity

A TACT member must have due regard to the trust instruments and have due regard to the interests of the trust and its beneficiaries.

A3. Organisation and Control

A TACT member must organise and control its affairs effectively for the proper performance of its business activities and be able to demonstrate the existence of adequate risk management systems.

A3.1 A member must have in place a control and governance structure providing overview and challenge to the firm's activities, its strategic direction, financial performance and policies.

A3.2 Where the member has a parent company, the member should be able to demonstrate an independence of policy and action.

A3.3 Members must ensure that their own recruitment selection and ongoing assessment processes on key persons and officers give assurance of continued fitness to hold positions of trust without personal conflicts.

A3.4 Members should undertake a regular review of their operating risks and have systems and controls in place mitigating actions to minimise risk to the member and its trusts.

A3.5 This risk assessment should include as a minimum:

- Internal controls over the management of trust assets and a regular Fraud Risk Review

- Clear delegated authorities within the member which are reviewed at least on an annual basis
- Compliance with data security and regulatory controls
- Service continuity

A3.6 Members must keep under review their capacity and resources to ensure they do not overcommit when accepting new trusteeships.

A3.7 Members must undertake an appropriate due diligence at the point of take-on of any trusts so that they fully understand the nature of matters of immediate concern over which they are assuming responsibility.

A3.8 Recognising that the skills of a corporate trustee derive from a variety of professional disciplines, all key persons and officers must be suitably qualified and conform to the requirements of their appropriate professional body.

A3.9 Members must record on-going training and qualification of individuals and ensure that staff have the opportunity for development and training, either collectively or individually.

A3.10 Members must ensure that all staff receive regular awareness training as to their responsibilities with regard to:

- Data protection
- Information security
- Anti-money laundering
- Equality and diversity
- Corporate integrity (professional practices, anti-bribery and whistleblowing)

A3.11 Members must ensure that all staff are aware of a duty to report anything suspicious (whistleblowing) and have a safe route through which to do so.

A3.12 Members must protect the confidentiality of trust and beneficiary information at all times having due regard to the media and method by which data are stored and transported. Firms must manage IT security to industry standards and keep up-to-date with developments in this area.

A3.13 Firms must adopt appropriate authorisation levels for the movement of trust assets and enforce these through appropriate system controls and monitoring. Due control over physical records and access must be maintained.

A3.14 Members must ensure they have suitable continuity plans in place for the temporary absence of key individuals or recovery in a “disaster” scenario.

A4. Clarity of Business Arrangements

A TACT member must be clear and transparent in its business arrangements with the trust and with any beneficiaries.

A4.1 Members must disclose fully their terms of business, the basis of their fees or remuneration and the method by which either may, from time to time, change.

A4.2 Where fees are time-related, members must have suitable and robust time recording systems.

A4.3 Members must be able to demonstrate the integrity of process by which they themselves make appointments of service providers to the trust.

A5. Resources and Insurance

A TACT member must maintain, and be able to demonstrate the existence of, both adequate financial resources and adequate insurance.

A5.1 Members must carry professional indemnity insurance appropriate to the scale and context of their appointments. A minimum cover of £5 million must be held.

A5.2 However, where such alternative is acceptable to the main regulator of the member or its parent, a member and its parent may “self-insure”.

A6. Clarity of Statements

A TACT member must ensure that all statements in relation to its business are accurate

A6.1 Members must not make statements that are misleading, false or deceptive.

A6.2 Members must make no misleading claim to independence.

A7. Conformity to External Regulation and Control

A7.1 A TACT member must conform to all external legislation, regulation and control affecting the member and the business conducted.

A7.2 A TACT member must observe all “competition” laws and any requirements adopted by its Council.

A8. Responsiveness to TACT

A TACT member must deal with TACT in an open and co-operative manner, respond fully to all enquiries and participate in any process respecting the member’s conformity with this Code.

B Pensions Trusts

B1. These provisions apply to members conducting pension scheme trusteeship.

B2. In the event of any conflict arising between these provisions and those of the paragraphs A1 to A8 of this Code, the provisions of paragraphs A1 to A8 shall prevail.

Independence and Conflicts of Interest

B3. Independence includes:

- independence from the Sponsoring Employer/s; and
- independence in relation to scheme advisory functions.

B4. Subject to B7, members are independent of the scheme Sponsor and conflicts are unlikely to arise. It is however, acknowledged that members may be remunerated by the scheme Sponsor either directly or indirectly from the scheme assets. Members will ensure that all decisions are made without undue influence of the scheme Sponsor.

B5. Subject to B7 any member that holds itself out to be independent will ensure that it is not conflicted by having associated companies (or companies connected to the member's Directors), engaged in any advisory or administrative services to the scheme to which the member is appointed as a professional Corporate Trustee).

(Advisory or administrative services in this respect are taken to mean: actuarial, audit, administration, general consultancy, investment advice, fiduciary investment services, legal or covenant advice to the Trustee body.)

B6. If a member is associated with or connected to the scheme Sponsor, it will:

B6.1 clearly disclose the nature of the relationship to any co-trustees; and

B6.2 be able to demonstrate that its appointment as professional Corporate Trustee is in the best interests of the scheme members.

B7. If a member is associated with any of the companies providing advisory services to the scheme, it will:

B7.1 clearly disclose the nature of the relationship to any co-trustees and the scheme Sponsor Employer; and

B7.2 be able to demonstrate that the appointments are in the best interests of the scheme members.

C Private Trusts

These provisions apply to members undertaking fiduciary services for private individuals.

- C1 Members must:
 - C1.1 treat customers, beneficiaries and co-fiduciaries fairly;
 - C1.2 have the resources, skills and procedures to deliver the services;
 - C1.3 have a published complaints procedure and deal with complaints openly and fairly, and
 - C1.4 where a member receives or may receive a financial or other benefit as a result of acting in a fiduciary capacity it will clearly disclose the nature of the benefit to any co-fiduciary and principal/beneficiaries.
- C2 When a member delegates the management of investments it will:
 - C2.1 undertake reasonable due diligence to ensure that the investment manager is suitably qualified to carry out investment business on their behalf and
 - C2.2 monitor the manager's appointment to ensure compliance with the objectives and mandate set.
- C3 A member will only outsource services once it has undertaken due diligence on the service provider and has taken reasonable steps to ensure that the interests of clients and principals/beneficiaries are protected:
 - C3.1 a member will monitor the providers of the outsourced services to ensure compliance with their terms of appointment.
- C4 If a member is associated with any of the companies providing advisory services to it in its fiduciary capacity, it will:
 - C4.1 clearly disclose the nature of the relationship to any co-fiduciaries and principals/beneficiaries;
 - C4.2 inform any co-fiduciary and principal/beneficiaries of any financial or other interest gained in entering into any transaction with another associated business or adviser.
- C5 Members will maintain systems and controls for:
 - C5.1 the monitoring and safekeeping of money and other assets held by it as fiduciary and
 - C5.2 the safekeeping of deeds, documents and other materials held by it.
- C6 A member will act within its powers and act in compliance with all relevant statutory, regulatory and other legal requirements.
- C7 Members will not knowingly become involved in, or promote, aggressive tax planning.

D Loan Capital Roles

D1 Members conducting trusteeship and associated roles in loan capital and structured finance must observe both the generic obligations in section A and these principles.

D2 The duty to conform to the trust instrument extends to all similar instruments articulating the totality of the member's duties under the engagement.

D3 The duty at the front of take-on of any trust extends to a considered assessment of the exposures inherent in the engagement; and to the member being satisfied that authorisations and mandates are or will be put in place to render fulfilment of the mechanisms prescribed by the trust instrument to be functionally achievable.

D4 Members shall have in place procedures to demonstrate that their terms of operation under any 'self-dealing' facility accorded to them by the trust instrument are fair, reasonable and justifiable.

E Process and Sanction

E1 The nature of any apprehended transgression of the Code being unforecastable, in the interests of flexibility the Council has reserved the right to prescribe process from time to time.

E2 The Council shall nominate an Investigating Committee – which may comprise its Secretary or any other single individual – to investigate and report back.

E3 In conformity with principle A8 the member is required to cooperate fully and constructively in the process.

E4 Following due consideration, if the Council conclude this Code has been breached, it may determine and impose an appropriate sanction which may include termination of membership.

E5 In the event that the member may wish to appeal from the finding or sanction, the Council may constitute (at the member's expense if so directed) an external review panel, whose findings and sanctions will bind all parties.

Adopted in full 11 July 2013: revisions adopted July 2015 for Council review