

Irish Asset and Invoice Finance Association (IAIFA)

IAIFA Code for Invoice Finance Members

1 Introduction

- 1.1. This is a self-regulatory Code setting standards of good practice, probity and professionalism for IAIFA Invoice Finance Members, when offering or providing the following products and associated services to businesses in Ireland:
 - a) Factoring
 - b) Invoice discounting
 - 1.2 This Code (“Code”) lays down key commitments for IAIFA’s Members which are intended to ensure that Members treat clients and their guarantors fairly and responsibly in relation to the offering and delivery of these products and associated services. Any reference, in this Code to a “client” or a “guarantor” also includes, where the context permits, a prospective client or prospective guarantor. Matters mentioned under the heading of “Explanations” are not intended to affect the key commitments set out under the next heading.
 - 1.3 It is a condition of membership of IAIFA that Members declare their compliance with this Code.
 - 1.4 Clients and guarantors should be aware that under its Memorandum of Association, publicly filed at CRO, IAIFA itself is not a public regulatory authority and has no financial or other responsibility to anyone arising out of the actions and dealings of its Members.
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2 The Code

2.1 Members of IAIFA are required to set and maintain rigorous and exemplary professional standards in their relationships with clients and guarantors. To achieve such standards IAIFA has established six key commitments which require that:

1. IAIFA Members shall abide by this Code and all applicable laws and regulations.
2. IAIFA Members shall act with integrity and deal fairly and responsibly with clients and guarantors.
3. IAIFA Members shall provide clients and guarantors with all appropriate information in a timely and transparent manner.
4. IAIFA Members shall ensure that legal documentation issued by them is clearly and unambiguously written.
5. IAIFA Members shall provide effective and timely client services in accordance with their legal agreements.
6. IAIFA Members shall operate their own appropriate complaints procedures and IAIFA may from time to time request details of such procedures and anonymized data as to their outcomes.

3 Guidance to IAIFA's Code

3.1 IAIFA'S separate Guidance contains examples of industry best practices that Members may wish to consider adopting. Unless preceded by the word "shall" or "must" they are not prescriptive. This not an exhaustive list. Members can choose other practices. Those Members which are regulated will have also regard to practices and policies imposed to ensure their own regulatory compliance.

4 Explanations

- 4.1 This Code and its Guidance are in accordance with the objects for which IAIFA was established.
 - 4.2 This Code and its Guidance are designed to ensure that the fair treatment of clients and guarantors is central to the corporate culture of each Member, but without thereby restricting their ability to compete with each other for clients' business.
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- 4.3 The six commitments of this Code do not seek to define in precise or restrictive terms actions to be taken or omitted. They set out key principles which Members are expected to apply with good sense and where appropriate by reference to the Guidance.
 - 4.4 Members shall advise all clients and guarantors of the existence of this Code, the guidance and the complaints procedure.
 - 4.5 This Code, its enforcement, any complaints, its review and updating are the ultimate responsibility of the IAIFA's Executive Committee. It will delegate these responsibilities, as appropriate. From time to time the Executive Committee may issue amendments to this Code its Guidance or the Complaints Procedure.
 - 4.6 This Code comes into effect on 1st January 2018 and supersedes the IAIFA Code of Business Practice (2013 edition) in relation to business arrangements entered into, or actions taken, after that date.
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