



## 1. Introduction

1.1 It is a condition of all levels and types of membership of the APCC that member firms and their staff (which term includes both employed and associate staff) observe the highest standards of ethical conduct including the Code of Ethics in connection with their compliance consulting and other related business. Those member firms whose staff act unethically, display serious incompetence or otherwise bring the APCC into disrepute through their behaviour, acts or omissions, whether or not related to their compliance consulting activities, may be subject to the Disciplinary Procedures set out here.

1.2 Complaints may be upheld against a member firm where either the firm or any of their staff or any sub contractors:

- (a) acts unethically, displays serious incompetence or otherwise brings into disrepute the APCC through his behaviour; or
- (b) is found guilty of any criminal offence (except minor traffic offences); or
- (c) is subject to a disciplinary sanction imposed by any regulatory or professional body; or
- (d) intentionally makes a false or misleading statement to the APCC or those performing the functions of the APCC on its behalf or at its request.

An offence under (b) will either have to have an impact on the member's fitness to act in the compliance consulting sector or will have to be of a serious nature.

1.3 The Chairman of the Steering Council, the Steering Council, the Chairman of the Disciplinary Committee and the Committee as a whole may at all times delegate their tasks under these rules to other people.

1.4 Any changes to the Disciplinary Procedures may be made by the majority vote of the Disciplinary Committee. These changes will be presented to the Steering Council for ratification and adoption. Any changes adopted by the Steering Council to the Disciplinary Procedures will be notified to all members prior to the date of implementation either directly or via the APCC website.

1.5 The procedures relating to the appointments of members to the Disciplinary Committee are dealt with elsewhere.



## **2. Making a Complaint against a Member Firm**

- 2.1 An eligible complainant is a client of an APCC member or a Regulatory Body.
- 2.2 Each Complaint must be made in writing, where possible supported by appropriate documentary evidence. It must be addressed to the Chairman of the Steering Council or anyone designated by him for this purpose.
- 2.3 A Complaint may be made by any person including the Chairman of the Steering Council.
- 2.4 Each Complaint must be recorded in a Complaints Register and acknowledged by the APCC within a reasonable time, normally ten working days.
- 2.5 Complaints against member firms should in the first instance be made to the member firm itself.

## **3. Disciplinary Committee**

- 3.1 The Disciplinary Committee shall consist of three members including its Chairman.
- 3.2 The members of the Steering Council shall also be eligible to be members of the Disciplinary Committee.
- 3.3 The Disciplinary Committee will be chaired by a Chairman appointed by the Steering Council.
- 3.4 Any member of the Steering Council (including the Chairman) who is the subject of a complaint or other Disciplinary investigation or action may not sit on the Disciplinary Committee when it investigates the same.
- 3.5 If any member of the Disciplinary Committee is the complainant or has any relationship/conflict of interest with the complainant or the complained against they cannot take part.

## **4. Handling of Complaints**

- 4.1 When a complaint is received the Chairman of the Steering Council shall refer the Complaint and all documents submitted with the Complaint or which are known to the Chairman to be relevant to it to the Chairman of the Disciplinary Committee. The Disciplinary Committee

shall then appoint one of its members (or failing that, a member of the Steering Council) as the Independent Investigator for that Complaint in question. The person so appointed must be suitably qualified and independent from the persons or firm involved in the complaint. If an independent member of the Disciplinary Committee or the Steering Committee cannot be appointed, the Steering Council may appoint an independent external investigator.

- 4.2 The member firm or an individual within the firm who has a complaint made against it, or him/her should be able to object to a particular person being appointed to investigate the complaint.
- 4.3 The Independent Investigator is required to determine whether, on the basis of the evidence provided to him, the Complaint is arguable and justifies a formal investigation of the matters complained of. If he concludes that a Complaint could be justified on a ground other than the one raised by the Complaint, he may submit that for a formal investigation instead of or in addition to any grounds for Complaint raised by the Complainant. The Independent Investigator may demand that the member complained against, the Complainant or any other member of the APCC furnish him with information or evidence that may be relevant to any matter raised by the Complaint. This must be supplied to him in writing within 30 days.
- 4.4 The decision of the Independent Investigator as to whether and the extent to which a formal investigation should take place and his reasons for those conclusions shall be communicated to the Chairman of the Steering Council who shall provide copies to the Complainant, the member and the Chairman of the Disciplinary Committee.
- 4.5 The Disciplinary Committee shall consider the Independent Investigator's Report and decide on the basis of it whether to institute a formal investigation of the Complaint or any part of it.
- 4.6 The Disciplinary Committee will consider the complaint, the independent investigators findings and any other relevant evidence and record its conclusions as a decision. The Decision of the Disciplinary Committee will be communicated to the Chairman of the Steering Council and he will communicate it to the Complainant and the member.
- 4.7 The member firm against which the complaint has been made should be provided with copies of the paperwork held by the Disciplinary Committee in advance of any oral or other hearing.



4.8 If the Disciplinary Committee takes the view that any matter arising during the investigation of a Complaint should be reported to any regulatory body, it may do so at any time during the Complaint proceedings.

## **5. Formal Investigation**

5.1 Where the Disciplinary Committee decides to institute a formal investigation of a Complaint it shall appoint three of its members to form a Disciplinary Panel to carry out that formal investigation. The Disciplinary Panel shall appoint one of its members as Chairman. The Procedure adopted by the Disciplinary Panel shall be determined at the discretion of the panel. This may but is not required to include an oral hearing at which the member may be required to attend. The Disciplinary Panel must invite the Complainant to attend any such hearing and may draw all necessary inferences from any failure to attend. All APCC members must co-operate in all reasonable ways with the Disciplinary Panel in its investigation of Complaints against members.

5.2 It shall be open to but not incumbent on the Disciplinary Panel or Independent Investigator to try to resolve differences between the Complainant and the member by whatever means it or he considers appropriate. The Disciplinary Panel may require the Complainant if a member of the APCC and any member to agree to refer any dispute arising out of or relating to the Complaint to binding arbitration. The parties may adopt by agreement any arbitral procedure (including a process for appointing the arbitral tribunal) that they wish. If they fail to agree on that procedure, they will each appoint an arbitrator and the arbitrators appointed will select a chairman. The procedure to be adopted by the arbitrator or arbitrators in any resulting arbitration shall be at the arbitrator's or arbitrators' discretion.

5.3 In the event of either side failing to make the necessary appointments with regard to an arbitrator referred to under the previous paragraph, the Chairman of the Steering Council will appoint any arbitrators required. He may in his discretion appoint a single arbitrator to resolve the dispute. In any event, when appointing an arbitrator, he will send a list of at least three possible arbitrators to each party and seek their views and objections to any appointment before reaching a final decision on the matter no sooner than 14 days after sending the parties the relevant list. The APCC will be entitled to charge the parties a reasonable fee for any services it renders to the parties (including any expenses involved) in relation to the appointment of, or services provided by an arbitrator as described in these rules.



- 5.4 When the Disciplinary Panel has completed its formal investigation into the Complaint it will report its findings to the Disciplinary Committee. The Disciplinary Committee shall then decide whether to uphold the Complaint in whole or in any respect. The Disciplinary Committee shall reach its decision by simple majority voting. In the event that the Disciplinary Committee is unable to reach a decision in this way on any matter, the Chairman's vote shall be decisive on all matters. There is no need for there to be a single meeting in order for a decision to be reached.
- 5.5 The Decision of the Disciplinary Committee shall be in writing and contain the reasons for it. Those reasons may be incorporated by reference to any other document. Any member of the Disciplinary Committee and the Independent Investigator wishing to express his dissent for the decision may do so and that dissent and any reasons for it will be attached to the Decision. The agreement of any Disciplinary Committee member to any Decision may be communicated in any reasonable way. Physical signature of the document concerned is not required.
- 5.6 The Decision of the Disciplinary Committee shall, subject to these rules, be binding on all members. It shall be communicated to the Complainant and, to the member.

## **6. Sanctions**

- 6.1 The Disciplinary Committee may dismiss the Complaint in full or in part. If it upholds the Complaint in any respect, it must impose one of the sanctions set out below. In determining the sanction to be imposed, the Disciplinary Committee may have regard to all matters to the attention of which it is aware even where those matters in themselves could not have formed the subject matter of a successful Complaint.

### **6.2 A Censure**

The Disciplinary Committee may censure a member. This shall take the form of a written reproach sent by the APCC to the member. That reproach may consist of a communication to the member that the Complaint is upheld and that he has been censured. It may be public or private.



### 6.3 **Suspension**

The Disciplinary Committee may order suspension for a specified period of time, not exceeding 3 years, of a firm's right to be an ordinary member and/or the right to use all or any of designatory letters or descriptions associated with the APCC.

### 6.4 **Expulsion**

The Disciplinary Committee may order the expulsion of the member from APCC. An expulsion order may be made against a person who since the initiation of the Complaint has resigned from the APCC. Any firm who has been expelled from the APCC may only apply for readmission upon documentary evidence that it has undergone a change of control that is acceptable to the Steering Council.

6.5 The Disciplinary Committee may make an order requiring any member to pay the reasonable costs of the APCC, an Independent external Investigator, the Complainant and/or the member of participating in the disciplinary proceedings regardless of the sanctions imposed.

6.6 The Disciplinary Committee shall determine the extent of the publicity to be given to the result of its proceedings. It may in any event communicate fully its findings and any evidence submitted to it to any appropriate regulatory body.

## 7. **Appeals**

7.1 An appeal may only be brought where the Disciplinary Committee has expelled or suspended the member from the APCC. The appeal shall be by way of re-hearing.

7.2 The communication of any decision against which an appeal may be brought shall include or be accompanied by a notice stating that an appeal against it may be submitted in writing to the Chairman of the Steering Council and must be submitted to him within 14 days of the date of posting the decision.

7.3 A notice of appeal must be submitted in writing to the Chairman of the Steering Council within 14 working days of the date of posting the decision to the member. It should state the grounds on which the member believes that the Disciplinary Committee's decision should be reversed or varied. The Chairman may extend this time limit if he considers it appropriate.



- 7.4 Any decision against which an appeal may be brought shall not come into effect until 14 working days of the date of its posting to the member. The submission of an appeal shall suspend its effect until the determination of the appeal unless the Steering Council otherwise decides.
- 7.5 The Chairman of the Disciplinary Committee shall appoint an Appeal Panel consisting of three members, one of whom will be appointed as the Appeal Panel Chairman. The Appeal Panel shall appoint an Independent Investigator on the same basis and with the same powers as for the formal investigation by the Disciplinary Committee. But if any member of the Appeal Panel is the complainant or has any relationship/conflict of interest with the complainant or the complained against they cannot take part.
- 7.6 The Chairman of the Appeal Panel shall determine the procedures to be adopted in determining the appeal except as stated herein. In particular, he is not required to convene an oral hearing or meeting in any form.
- 7.7 On an appeal, the Appeal Panel may affirm the decision and the penalties imposed, or vary either the decision or the penalty imposed. The Appeal Panel may make an order as to the costs of its proceedings and those of the Disciplinary Committee in the same way as the Disciplinary Committee as set out above.
- 7.8 The decision of the Appeal Panel shall be communicated to the Chairman of the Steering Council and by him to the member and the Complainant.

## **8. Membership of Panels**

- 8.1 No member of a Disciplinary Committee may be appointed to an Appeal Panel for the same or a related case.
- 8.2 Any member of a Disciplinary Committee or Appeal Panel who has a conflict of interest shall declare that interest to the Complainant and member and shall only continue to be a member of the relevant panel if the Complainant and member both consent.

## **9. General**

- 9.1 In this document unless the context otherwise requires, words importing one gender shall include the other and words importing the singular shall include the plural and vice versa. Similarly, such words shall include incorporated or unincorporated bodies within their import.



- 9.2 Any communication shall, unless the contrary is proved be deemed to be made within 7 working days of posting.
- 9.3 These procedures and any amendment thereof shall take effect on a date to be determined by the Steering Council of the APCC and shall apply to future and existing Complaints alike provided that nothing herein shall require previous steps taken in relation to Complaints that have already been made to be re-done or re-considered.