

What is a FIAMs?

FIAMs stands for Financial Initial Assessment Meetings.

A FIAMs will typically be carried out by a financial neutral early in discussions regarding divorce or separation. The purpose of this document is to explain briefly what they are, why they are needed and how to obtain one.

What is a FIAMs?

Think of a FIAMs as a financial MOT. In the same way that an MOT would be carried out on a car to confirm it is roadworthy, it also highlights areas that need to be attended to.

A FIAMs is a financial mot prior to discussions as to how to separate these finances due to divorce or separation.

Why is a FIAM's needed?

The FIAM will either confirm that all is as it seems or alternatively highlight areas where further investigation may be required, it will provide information on the highlighted areas as to why these require further investigation.

Some assets are clear and easy to understand, such as cash or money held on deposit. We all have an understanding of this and know that money in a bank account is exactly as it seems, the value is clear - but this is not the same for all assets.

There may be an issue with access or liquidity or there may be taxation issues that reduce the value on sale or encashment once income tax or capital gains tax are applied. Thus the asset in question may be worth less than is being assumed. This will need further investigation.

The FIAM's would point out the potential issues and areas that need to be investigated.

With regard to pensions all is not always as it seems and specialist advice may be required to assess the true value of these. The FIAMS would highlight whether additional investigation is required. In this instance the neutral could also assist the parties in making sure the right questions are asked of the pensions expert.

How is a FIAM's undertaken?

The FIAMs is undertaken by a financial neutral.

A financial neutral is a financial advisor who is not providing advice directly to one or other of the parties but providing information and supporting the discussions and decision-making.

To complete the FIAMs the financial natural would require details of the financial assets and subsequently carry out an independent review of the finances - a summary of this is then reported back either face-to-face or in writing or indeed both. The reporting method would be dictated by the parties and their advisers

What happens after the FIAM's?

After the FIAMS the financial neutral will step back and may no longer be involved. They will remain in the background and if there is a requirement for further involvement they can step back in to assist the parties and their advisors.

Further information on the FAIMs and also information for individuals lawyers mediators barristers and Financial neutrals can be found at www.fiams.co.uk