

## 2026 Level I Topic Outlines

# Ethical and Professional Standards

### LEARNING OUTCOMES

#### **Ethics and Trust in the Investment Profession**

*The candidate should be able to:*

- ☐ explain ethics
- ☐ describe the role of a code of ethics in defining a profession
- ☐ describe professions and how they establish trust
- ☐ describe the need for high ethical standards in investment management
- ☐ explain professionalism in investment management
- ☐ identify challenges to ethical behavior
- ☐ compare and contrast ethical standards with legal standards
- ☐ describe a framework for ethical decision making

#### **Code of Ethics and Standards of Professional Conduct**

*The candidate should be able to:*

- ☐ describe the structure of the CFA Institute Professional Conduct Program and the process for the enforcement of the Code and Standards
- ☐ identify the six components of the Code of Ethics and the seven Standards of Professional Conduct
- ☐ explain the ethical responsibilities required by the Code and Standards, including the sub-sections of each Standard

**Guidance for Standards I–VII**

*The candidate should be able to:*

- demonstrate the application of the Code of Ethics and Standards of Professional Conduct to situations involving issues of professional integrity
- recommend practices and procedures designed to prevent violations of the Code of Ethics and Standards of Professional Conduct
- identify conduct that conforms to the Code and Standards and conduct that violates the Code and Standards

**Introduction to the Global Investment Performance Standards (GIPS)**

*The candidate should be able to:*

- explain why the GIPS standards were created, who can claim compliance, and who benefits from compliance
- describe the key concepts of the GIPS Standards for Firms
- explain the purpose of composites in performance reporting
- describe the fundamentals of compliance, including the recommendations of the GIPS standards with respect to the definition of the firm and the firm's definition of discretion
- describe the concept of independent verification

**Ethics Application**

*The candidate should be able to:*

- evaluate practices, policies, and conduct relative to the CFA Institute Code of Ethics and Standards of Professional Conduct
- explain how the practices, policies, and conduct do or do not violate the CFA Institute Code of Ethics and Standards of Professional Conduct