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Ethical and Professional Standards in Practice

This study session uses case studies to demonstrate the practical application of the CFA Institute Code of Ethics and Standards of Professional Conduct (Code and Standards) in everyday situations. The session concludes with discussion on the Asset Manager Code of Professional Conduct.

The Asset Manager Code of Professional Conduct uses the basic tenets of the Code and Standards to establish ethical and professional standards for firms managing client assets. The Asset Manager Code of Professional Conduct also extends the Code and Standards to address investment management firm practices regarding trading, compliance, risk management, security pricing, and disclosure.

READING ASSIGNMENTS

Reading 3	Application of the Code and Standards *Ethics Cases*
Reading 4	Asset Manager Code of Professional Conduct by Kurt Schacht, JD, CFA, Jonathan J. Stokes, JD, and Glenn Doggett, CFA

LEARNING OUTCOMES

READING 3. APPLICATION OF THE CODE AND STANDARDS

The candidate should be able to:

a   evaluate professional conduct and formulate an appropriate response to actions that violate the Code of Ethics and Standards of Professional Conduct;

b   formulate appropriate policy and procedural changes needed to assure compliance with the Code of Ethics and Standards of Professional Conduct.

READING 4. ASSET MANAGER CODE OF PROFESSIONAL CONDUCT

The candidate should be able to

a explain the purpose of the Asset Manager Code and the benefits that may accrue to a firm that adopts the Code;

b explain the ethical and professional responsibilities required by the six General Principles of Conduct of the Asset Manager Code;

c determine whether an asset manager's practices and procedures are consistent with the Asset Manager Code;

d recommend practices and procedures designed to prevent violations of the Asset Manager Code.