**Lesson 1: Code of Ethics and Standards of Professional Conduct**

* 15% of questions on the exam – 18 am and 18 pm
* Myth: resign is too drastic, reporting to authorities – distractor on the exam
* LOS – Learning Outcome Statements
* ***Members and candidates*** are required to comply with Code and Standards
* CFA Institute Board of Governors – oversight
* Professional Conduct Program (PCP)
* Disciplinary Review Committee (DRC)
* PCP determines if violation has occurred
* If they determine yes, member/candidate can reject or accept
* If reject, goes to DRC panel
* Disciplinary action – comes from DRC members. Can be:
  + Public censure
  + Suspended from program (candidate)/lose charter (members)
* Code and Standards applies to individuals and ***not firms***.