**FYP/FYT Essay on Professional, Ethical, Legal, Security, Social Issues and Responsibilities**

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| **Introduction**  Our FYP is trying to build a personalized algorithmic trading platform by using machine learning and deep learning models. We aim to help investment beginners to make profit from the vibrant and fast-paced stock market. With the implementation of machine learning and deep learning models, our platform will access the risk level of the users and assign the suitable algorithms and models for them to run automated trading. Our platform will automatically help our clients to make trading in the market. This essay will discuss the possible ethical issues from the project and the potential breaches of the ethical rules.  **Findings**  Due to the enhancement of the mobile technology, people are more familiar and willing to adopt mobile technologies nowadays, in which investment method is migrating from branches of securities firms to mobile appication developed by securities firms. With a coincidence of the COVID-19 pandemic, investments become much more popular to maintain our asset’s value. In result, large number of investors are jumping into the market during the pandemic [1].  Such a platform may attract a lot of clients to invest and indeed the platform may own huge amount of capital on behalf of the investors, any trading activities made by the platform may highly affect the movement of the market.  **Ethical Implications**  As the trading activities made by the platform may highly affect the market, some insiders from the platform may privately invest into the stock that the platform are planning to invest, which is usually illegal in most of the countries. Such action is called **“Insider Trading”**.  First, insider trading is obviously violated the ethical rule of HKIE 2.5, in which such a behavior will severely injure and damage the platform or company’s reputation. Clients may not be confident to or trust our platform if they noticed this kind of unethical and illegal action. Another ethical rule of HKIE 3.2 is simultaneously being broken as well. Insider trading is a means to make profit by manipulating the capitals from our clients. If we disclose the actions that may be taken by our ML/DL models to outsiders, or we try to use the information to make profit from the market. This is unethical and unfair to our clients, as well as anyone on the market. Not only the benefit of our clients will be infringed but also violating the business laws of insider trading. This could probably result in less profit or even some loss on clients’ capital, which is equivalent to exploit our model performance.  Stated in the ethical code of WFEO 1.1, corruption is “the abuse of power to obtain personal gain”. Insider trading is one of the corruption examples. In order to abide the ethical code, we should avoid any conflict of interest with our clients or other investors. If conflicts are not able to avoid, then we should inform the related personnel and avoid making any unfair and unethical judgement for our own interest. This could help us to show our professionalism and build our reputation. Moreover, claiming our conflict of interest could also assist us to perform the ethical rules of WFEO 1.3 which require us to practice fairly and with good faith towards our clients and other investors. Therefore, we should be aware of our platform’s vulnerability, preventing from leaking any trading action to anyone.  **Conclusion**  In conclusion, this essay mentioned the one of the potential ethical issues, “Insider Trading”, that may probably involve in our FYP. Some opinions towards this ethical issue are given and discussed, which also related to the ethical codes from HKIE and WFEO. It is significantly important to remind ourselves and be aware of the ethical issues as it will not only be the responsible of our team but also the method to protect the client’s interest.  **Reference**  [1]C. Reinicke, "New investors are jumping into the market during the post-pandemic boom", *cnbc.com*, 2021. [Online]. Available: https://www.cnbc.com/2021/08/02/new-investors-are-jumping-into-the-market-in-the-post-pandemic-boom-.html. [Accessed: 18-Oct-2021]. | | | |