



A Review of the Work of the CFA Institute Centre: 2004-2007

Established as the advocacy arm of CFA Institute in late 2004, the CFA Institute Centre for Financial Market Integrity extends the organization's outreach promoting strong professional ethics and integrity in the global financial markets. The Centre promotes fair and open markets, advocates for the rights of investors, and provides best practice guidance to investment professionals through codes and standards, topical research, and ethics education.

To meet the Centre's mission, "to be a leading voice on issues of fairness, efficiency, and investor protection in global capital markets and to promote high standards of ethics, integrity and professional excellence within the investment community," directors and policy experts collaborate with societies, the advisory council, committees, CFA Institute Public Awareness, Marketing, and other staff to disseminate Centre work through:

- Codes, Standards, Research Reports and Manuals
- Briefing book; Comment Letters; Web site
- Strong relationships with regulators; Partnering with other professional organizations; Serving on advisory committees
- Participating in media outreach; Opinion, commentary, and article placements; *CFA Magazine*; *FAJ*;
- *Advocacy Update*; other CFA Institute venues: CEO e-letter, Society Quick Read
- CFA Webcasts; conferences
- Ethics presentations to member societies; Employer training-for-hire

Codes, Standards, Research Reports, Manuals

Since its inception, the Centre's staff have produced—and launched into the capital markets—19 codes, standards, research reports, and manuals, and have provided local-language translations of many. Assorted Centre publications are now available in more than a dozen languages.

2007: Compensation of Senior Executives at Listed Companies: A Manual for Investors; Self-Regulation in Today's Securities Markets: Outdated System or Work in Progress?; Investing in Hedge Funds: Information for the Retail Investor; A Comprehensive Business Reporting Model: Financial Reporting for Investors; Financial Market Integrity Index: United Kingdom, Canada, United States; China Corporate Governance Survey; Apples to Apples: A Template for Reporting Quarterly Earnings;

2006: Breaking the Short-Term Cycle; Global Investment Performance Standards (GIPS) Handbook, Second Edition; Code of Ethics and Standards of Professional Conduct (revised);

2005: Standards of Practice Handbook; The Corporate Governance of Listed Companies: A Manual for Investors; Best Practice Guidelines Governing Analyst/Corporate Issuer Relations; Global Investment Performance Standards;

2004: Asset Manager Code of Professional Conduct; Trade Management Guidelines; CFA Institute Soft Dollar Standards; Research Objectivity Standards

Briefing book; Comment Letters; Web site

There are currently more than 100 topical “briefing book” pages available on the Centre’s web site; each page provides rationale, documentation, and position taken on industry issues addressed in Centre outreach. There also are archive copies posted of every comment letter sent by the Centre. In 2007 alone, Centre staff and committees--often in collaboration with local societies-- provided official response and guidance to more than 25 proposed market regulations, codes, and policies issued by global decision-makers such as the U.S. SEC, IASB, Hong Kong Exchange, FSA, European Commission, and IOSCO.

In cooperation with Web Services and Marketing, Centre staff are nearing completion of an overhaul of all Centre web pages which will significantly expand and update both the structure and content of the Centre’s online resources.

Relationships with regulators and organizations; Advisory council representation

Policy experts represented CFA Institute positions and concerns, collaborating on projects and meeting with or speaking before dozens of key groups of financial professionals and employers, and regulatory, legislative, and industry organizations, to include: the Business Roundtable Institute for Corporate Ethics, XBRL-US, Inc., Council of Institutional Investors, Organization for Economic Cooperation and Development, UK National Association of Pension Funds, Swiss Association of Pension Funds, Hong Kong Retirement Schemes Association, the Dutch Association of Industry-wide Pension Funds, FASB, CeSR, European Commission, ASCS, NIRI, ICGN, SII, IMA, US SEC, the Singapore Exchange, China CSRC, Ontario Securities Commission, NYSE, NASD, National Futures Association, FinRA, NASAA, Toronto Stock Exchange, UAE Central Bank, Taiwan Stock Exchange, US Department of Treasury, IAASB, and FSA of Japan.

Advisory committee representation:

- Jeff Diermeier, CFA, has been appointed to the U.S. Securities and Exchange Commission (SEC) Advisory Committee on Improvements to Financial Reporting.
- The Public Company Accounting Oversight Board (PCAOB) Standing Advisory Group for 2008, appointed Kurt Schacht, CFA, to a two-year term beginning January 2008
- Christian Dreyer, CFA, a volunteer member of the Centre's Business Reporting Subcommittee, was appointed to the IASC Foundation's XBRL Advisory Council representing the CFA Institute Centre.

Media outreach; Opinion, commentary, and article placements

Media outreach in FY06 and FY07 included weekly radio commentary, national television interviews, and exposure in nearly 90 worldwide publications each year, including *New York Times*, *Financial Times*, *Wall Street Journal*, *China Business News*, *Barron's*, *Globe and Mail*, and *Reuters*. Averaging more than 7 Centre mentions each month for the past two years, according to our global media analysts (CARMA), the quality of those mentions has been strong as well, consistently scoring a “favorability rating” in the mid- to high-sixties.

Dozens of articles written by or for the Centre have been placed in venues such as *Pensions & Investments*, *IPE*, *Euromoney*, and *Investment News*. Coverage of Centre projects and issues run nearly every month in *CFA Magazine*, with some 70 articles—many with Centre staff bylines—archived at cfapubs.org spanning the Centre’s history. There are almost 60 *FAJ* articles on Centre-related topics available at cfapubs as well.

Advocacy Update; other CFA Institute venues: CEO e-letter, Society Quick Read

The monthly e-newsletter, the "Advocacy Update," from the entire CFA Institute Centre, and quarterly regional editions from the EMEA and APAC regional Centre offices, provide 12,500 society leaders, advocacy contacts, BOG, Management Committee and staff, advisory and policy council members, subscribers, and other friends of the Centre with regular updates on Centre projects and outreach efforts. The GIPS Alert is a bi-monthly e-newsletter sent to several hundred subscribers and country sponsors. These regular communications with key industry leaders also provide an opportunity to encourage more local advocacy efforts, and to solicit feedback and project ideas from important constituencies.

News about ongoing research and completed projects is submitted regularly for publication in the monthly CEO newsletter to CFA Institute members, to the twice-monthly Society Leader Quick Read, to the front CFA Institute web page, and (increasingly) as requested to select member society newsletters.

CFA Webcasts; conferences

More than 100 of the current CFA Institute Webcast entries are Centre-related presentations.

Each year the Centre hosts 4-6 GIPS Workshops and the annual GIPS Standards Conference (a sellout in 2007, for 200+ attendees); participates in the CFA Institute Annual Conference and Society Leaders Meetings; attends, presents, and networks at several industry conferences such as the Performance Measurement Forum, XBRL-US, Inc, NIRI, PMAR, and NSCP.

Ethics presentations; Employer training-for-hire

Centre interactive presentations, available to societies in any region, expanded to 15 topics for 2007, and include case-based ethics training, updates on the state of financial market integrity, overviews of current GIPS® standards, and specific headline issues of the industry; more than 50 such presentations were made to member societies in 2007 (previous year totals range from 25-45 each year). An Ethics Symposium was also held in London in 2007, in partnership with the UK society, to explore key issues in finance and integrity.

The ethics training program (for a fee, to employers) promotes the organization's mission and standards to the investment industry, and while demand is strong, staff resources have constrained the expansion of the program. Standards staff have administered the ethics classes several times since created in 2006, to groups such as the Abu Dhabi Investment Authority and the Ontario Teachers' Pension Plan.