

STANDARD VII—RESPONSIBILITIES AS AN CIPM ASSOCIATION MEMBER OR CIPM CANDIDATE

A. CONDUCT AS MEMBERS AND CANDIDATES IN THE CIPM PROGRAM

Members and Candidates must not engage in any conduct that compromises the reputation or integrity of CFA Institute, the CIPM Association, or the CIPM designation or the integrity, validity, or security of the CIPM examinations.

GUIDANCE

Standard VII.A covers the conduct of CIPM Association members and candidates involved with the CIPM program and prohibits any conduct that undermines the public's confidence that the CIPM designation represents a level of achievement based upon merit and ethical conduct. The standard's function is to hold members and candidates to a high ethical standard while they are participating in or involved with the CIPM program. Conduct covered includes, but is not limited to:

- cheating on the CIPM examination or any other examination;
- disregarding the rules and policies of the CIPM program related to examination administration;
- providing confidential program information to candidates or the public;
- disregarding or attempting to circumvent security measures established by CFA Institute or the CIPM Association for the CIPM examination;
- improperly using the CIPM designation or other association with CFA Institute or the CIPM Association to further personal or professional goals; and
- misrepresenting information regarding the Professional Conduct Statement or the Professional Development Program.

This standard does not cover expressing opinions regarding the CIPM program, CFA Institute, or the CIPM Association. Members and candidates are free to disagree and to express their disagreement with CFA Institute and the CIPM Association on their policies, procedures, or any advocacy positions taken by the organizations.

APPLICATION OF THE STANDARD

Example 1: Jacques Downes, a member and CIPM certificate holder employed by Westfield Performance Analytics, serves as a curriculum reviewer for the CIPM program. In the course of his service, he learns of new readings to be assigned at the Expert level in the next curriculum year. Knowing that the revised curriculum has not yet been announced to all candidates, he provides the information to a colleague who has passed the Principles examination and plans to sit for the Expert examination next year.

Comment: Downes and the candidate violated Standard VII.A. By giving advance information concerning changes in the curriculum to a candidate who will be tested on her mastery of the body of knowledge, Downes provided an unfair advantage to his colleague and damaged the integrity of the CIPM program. By accepting the information, the candidate also compromised the integrity of the CIPM program and undermined the ethical framework that is a key part of the designation.

Example 2: Colin McKenzie is enrolled to take the CIPM Principles examination. He has been having difficulty remembering a particular formula, so prior to entering the test center he writes the formula on his forearm, near his wrist. During the administration of the examination, the proctor notices Sullivan pulling up his shirtsleeve. She asks to see his arm and finds the formula to be a bit smudged, but readable.

Comment: Because McKenzie wrote down information from the CIPM curriculum and took that written information into the examination, his conduct compromised the validity of his examination, violating Standard VII.A.

Example 3: Patrizia Marconi is employed as an analyst at a verification firm. After taking the Principles examination, Marconi writes a chat room to complain that the examination unfairly contained too many difficult questions about performance attribution. Answering the multiple choice questions required time-consuming mathematical calculations, and some of the choices seemed designed to mislead candidates. Marconi did not give specific examples of the questions that appeared on the examination she took, but she expressed in strong terms her opinion that the exam was not a valid test of the knowledge she needs to evaluate investment management firms' performance policies and procedures with regard to the GIPS[®] standards.

Comment: Marconi is **not** in violation of Standard VII.A. She has not divulged any of the examination questions, and she is fully entitled to express publicly her opinion about the scope and validity of the CIPM examinations.

Example 4: André Kovac, CIPM, a senior performance analyst at a global custodial bank, serves as a question writer for the CIPM program. His supervisor asks him to lead a study group for three new employees who are preparing for the Principles examination. Kovac tells the new employees of his service as a question writer, gives them practice quizzes that include multiple choice questions he has written for the CIPM program, and reviews the correct answers with them.

Comment: Kovac has violated Standard VII.A. By using questions that might actually appear on an examination, he has given his bank's new employees an unfair advantage and undermined the integrity and validity of the examination as an accurate measure of the knowledge, skills, and abilities necessary to earn the right to use the CIPM designation.

Example 5: Ernst Hilbert, a CIPM candidate, anonymously posts as many CIPM examination questions as he can remember on an Internet braindump site. He reasons that by helping others

succeed he is contributing to an expansion of the CIPM program for the benefit of the entire profession.

Comment: Hilbert has violated Standard VII.A. By disclosing actual examination questions on the Internet, he has compromised the integrity and validity of the CIPM examination as a measure of competence to practice in the field of investment performance evaluation and presentation. Any CIPM candidates who use the questions posted on the braindump site in preparing for an examination are also in violation of Standard VII.A.

STANDARD VII—RESPONSIBILITIES AS A CIPM ASSOCIATION MEMBER OR CIPM CANDIDATE

B. REFERENCE TO THE CIPM ASSOCIATION, THE CIPM DESIGNATION, AND THE CIPM PROGRAM

When referring to CIPM Association membership, the CIPM designation, or candidacy in the CIPM Program, Members and Candidates must not misrepresent or exaggerate the meaning or implications of membership in the CIPM Association, holding the CIPM designation, or candidacy in the CIPM Program.

GUIDANCE

Individuals must not exaggerate the meaning or implications of membership in the CIPM Association, holding the CIPM designation, or candidacy in the CIPM program.

This standard is intended to prevent promotional efforts that make promises or guarantees that are tied to the designation. Statements referring to the CIPM Association, the CIPM designation, or the CIPM program must not:

- over-promise the competency of an individual, or
- over-promise the benefits to clients of having CIPM certificate holders work on their account.

Statements that highlight or emphasize the commitment of CIPM Association members, CIPM certificate holders, and CIPM candidates to ethical and professional conduct as well as the thoroughness and rigor of the CIPM program are appropriate. Members and candidates may make claims about the relative merits of the CIPM Association, the CIPM program, or the *Code of Ethics* and *Standards of Professional Conduct* as long as those statements are the opinions of the speaker, whether implicitly or explicitly stated as opinion. Otherwise, statements that do not express opinions have to be supported by facts.

Standard VII.B applies to any form of communication, including but not limited to that made in electronic or written form (such as on firm letterhead, business cards, professional biographies, directory listings, printed advertising, firm brochures, or personal résumés) and oral statements made to the public, clients, or prospects.

CIPM Association Membership

The term “CIPM Association members” refers to members of the CIPM Association who have signed the Members’ Agreement. Once accepted as a CIPM Association member, the member must satisfy the following requirements to maintain his or her status:

- remit annually to the CIPM Association a completed Professional Conduct Statement, which renews the commitment to abide by the requirements of the CIPM Association *Code of Ethics* and *Standards of Professional Conduct* and the CIPM Association Professional Conduct Program;
- satisfy applicable continuing education requirements; and
- pay applicable CIPM Association membership dues.

If a CIPM Association member fails to meet any one of the requirements listed above, then the individual is no longer considered an active member. Until reactivated, individuals must not hold themselves out as active members. They may state, for example, that they were CIPM Association members in the past or refer to the years when their membership was active.

Using the Certificate in Investment Performance Measurement (CIPM) Designation

Those who have earned the right to use the CIPM designation may use the marks “Certificate in Investment Performance Measurement” and “CIPM,” and are encouraged to do so, but only in a manner that does not misrepresent or exaggerate the meaning or implications of the designation. The use of the designation may be accompanied by an accurate explanation of the requirements that have been met to earn the right to use the designation.

“CIPM certificate holders” are those individuals who have earned the right to use the CIPM designation granted by the CIPM Association. These are people who have satisfied certain requirements, including completing the CIPM study and examination program and meeting the professional experience requirement. Once granted the right to use the designation, individuals must also satisfy the CIPM Association membership requirements (see above) to maintain their right to use the designation.

If a CIPM certificate holder fails to meet any one of the membership requirements, he or she forfeits the right to use the CIPM designation. Until reactivated, individuals must not hold themselves out as CIPM certificate holders. They may state, for example, that they were certificate holders in the past.

Referring to Candidacy in the CIPM Program

Candidates in the CIPM Program may refer to their participation in the CIPM program, but the reference must clearly state that an individual is a candidate in the CIPM program and must not imply that the candidate has achieved any type of partial designation. A person is a candidate in the CIPM program if:

- the person’s application for registration in the CIPM Program has been accepted by CFA Institute, as evidenced by issuance of a notice of acceptance; or
- the enrolled person has taken an examination but exam results have not yet been received or the CIPM certificate has not yet been conferred.

If an individual is registered for the CIPM program but declines to sit for an exam, then that individual is no longer considered an active candidate. Once the person is enrolled to sit for a future examination, his or her CIPM candidacy resumes.

CIPM candidates must never state or imply a partial designation for passing one or more levels or cite an expected completion date of any level of the CIPM Program. Final award of the certificate is subject to meeting all CIPM program requirements and the approval of CFA Institute and the CIPM Association.

If a candidate passes each level of the examination sequence on the first try and wants to state that he or she did so, that is not a violation of Standard VII.B because it is a statement of fact. If the candidate then goes on to claim or imply superior ability by obtaining the designation in the shortest possible period, he or she is in violation of the standard.

The following statements illustrate proper and improper references to the CIPM designation:

Improper References:

- “John Smith is among the elite, having passed both CIPM examinations on the first attempt.”
- “John Smith, CIPM, Principles Level”
- “CIPM, Expected 2007”

Proper References:

- “Completion of the CIPM Program has enhanced my performance measurement skills.”
- “John Smith passed both CIPM examinations in two consecutive windows.”
- “The CIPM designation attests to a certificate holder’s success in a rigorous and comprehensive study program in the field of investment performance evaluation and presentation.”
- “The credibility that the CIPM designation affords and the skills the CIPM Program cultivates are key assets for my future career development.”
- “As a CIPM certificate holder, my clients can be assured that I am committed to the highest ethical standards.”
- “I enrolled in the CIPM program to obtain the highest credential in the global investment performance profession.”
- “I passed the CIPM Principle examination.”
- “I am a 2007 CIPM Principles candidate.”
- “I passed both levels of the CIPM program and will be eligible for the CIPM certificate upon completion of the required work experience.”

Proper Usage of the CIPM Program Marks

Upon obtaining the CIPM certificate from the CIPM Association, certificate holders are given the right to use the CIPM trademarks, including Certificate in Investment Performance

Measurement, CIPM and the CIPM Logo. These marks are protected as trademarks by CFA Institute.

- The CIPM mark must always be used either after a certificate holder’s name or as an adjective (never as a noun) in written documents or oral conversations.
- The CIPM Logo is used by certificate holders as a distinctive visual symbol of the CIPM designation that can be easily recognized by employers, colleagues, and clients. It must only be used to directly reference an individual certificate holder or group of certificate holders.

Exhibit 4. Correct and Incorrect Use of the CIPM Marks		
Incorrect	Principle	Correct
He is one of two CIPMs in the company.	The CIPM and Certificate in Investment Performance Measurement designations must always be used as adjectives, never as nouns or common names.	He is one of two CIPM certificate holders in the company. He earned the right to use the Certificate in Investment Performance Measurement designation.
Jane Smith, C.I.P.M. John Doe, cipm	Always capitalize the letters “CIPM” No periods	Jane Smith, CIPM
John, a CIPM-type performance analyst. CIPM equivalent program. Swiss-CIPM	Do not alter the designation to create new words or phrases.	John Jones, CIPM
Jones CIPM Analytics, Inc.	The designation must not be used as part of the name of a firm.	John Jones, CIPM
Jane Smith, CIPM	The CIPM designation should not be given more prominence (e.g., larger, bold) than the certificate holder’s name.	Jane Smith, CIPM
Certificate in Investment Performance Measurement (CIPM), January 2008.	Candidates in the CIPM program must not cite the expected date of exam completion and award of certificate.	Expert level candidate in the CIPM program.
CIPM Principles Level. CIPM degree expected in 2007.	No designation exists for someone who has passed the Principles or Expert exam. The CIPM designation should not be referred to as a degree.	Passed the CIPM Principles examination in 2006.
CIPM (Passed Finalist)	A candidate who has passed the Expert exam but has not yet received his or her certificate cannot use the CIPM designation.	I have passed both CIPM examinations.
CIPM, 2006, London Society of Investment Professionals	In citing the designation in a resume, a certificate holder should use the date that he or she received the designation and should cite the CIPM Association as the conferring body.	CIPM, 2006, CIPM Association (optional: Charlottesville, Virginia, USA)

RECOMMENDED PROCEDURES FOR COMPLIANCE

References to a member's CIPM designation or CIPM candidacy may be misused or improperly stated by others within a member's or candidate's firm who do not possess knowledge of the requirements of Standard VII.B. As an appropriate step to reduce this risk, members and candidates should disseminate written information on Standard VII.B and the accompanying guidance to their firm's legal, compliance, public relations, and marketing departments. For materials that refer to employees' affiliation with the CIPM Association, members and candidates should encourage their firms to create templates that are approved by a central authority (such as the compliance department) as being consistent with Standard VII.B. This practice would promote consistency and accuracy of references to CIPM Association membership, the CIPM designation, and CIPM candidacy within the firm.

APPLICATION OF THE STANDARD

Example 1: Four years after receiving his CIPM certificate, Louis Vernier resigns his position as a client relationship manager and spends the next year writing a novel. Because he is not actively engaged in practice, he does not file a Professional Conduct Statement with the CIPM Association and does not pay his CIPM Association membership dues. However, he continues to engage in qualified educational activities in compliance with the Professional Development Program. At the conclusion of his writing project, Vernier becomes a self-employed institutional marketing consultant, accepting assignments as an independent contractor to investment management firms. Without reinstating his CIPM Association membership by filing his Professional Conduct Statement and paying his dues, he prints business cards that display "CIPM" after his name.

Comment: Vernier has violated Standard VII.B because his right to use the CIPM designation was suspended when he failed to file his Professional Conduct Statement and stopped paying dues. Therefore, he no longer is entitled to state or imply that he is an active CIPM certificate holder. When Vernier files his Professional Conduct Statement and resumes paying CIPM Association dues to reactivate his membership, he will be eligible to use the CIPM designation, provided he meets the requirements of the Professional Development Program.

Example 2: CityCert, Ltd. is a small firm offering verification services. The firm takes great pride that all non-administrative employees are CIPM certificate holders. To underscore this fact, the firm's senior partner is proposing to change the firm's letterhead to include the following:

CityCert, Ltd. 

Comment: The CIPM Logo is intended to identify individual certificate holders and must not be incorporated into a company name, confused with a company logo, or placed in such close proximity to a company name or logo as to give the reader the idea that the mark certifies the company. It would only be appropriate to use the CIPM Logo on the business card or letterhead of each individual CIPM certificate holder.

Example 3: Rhonda Reese, who manages the performance and manager research department of an investment consulting firm, has earned the right to use the CIPM designation. In a conversation with a friend who is considering enrolling in the CIPM program, she states that she has learned a great deal from the CIPM program. She further states that she willingly hires CIPM certificate holders in her department because she is confident they will prove to be capable and diligent practitioners. She would recommend the CIPM program to anyone seeking a position as an investment performance professional.

Comment: Reese's comments comply with Standard VII.B. Her statements refer to enhanced knowledge and the fact that she expects CIPM certificate holders to be capable and diligent.

Example 4: Tatiana Yevtushenko has earned both her CIPM designation and a Master of Business Administration degree with a concentration in finance. She would like to cite both her accomplishments on her business card but is unsure of the proper method for doing so.

Comment: The order of designations cited on such items as resumes and business cards is a matter of personal preference. Yevtushenko is free to cite the CIPM designation either first or after listing her MBA.