



Changes to the CFA Institute Code of Ethics and Standards of Professional Conduct

Questions from the Webinar

General

Are we required/encouraged to provide a copy of the new Code and Standards to our employer?

CFA Institute strongly encourages members and candidates to provide a copy of the organization's Code of Ethics and Standards of Professional Conduct to their supervisors and employers. Doing so will increase awareness on the part of employers regarding the baseline ethical conduct requirements of the members or candidates who work for them. But providing the Code and Standards to your employer is not a requirement of the Code and Standards.

When will the changes to the Code and Standards be reflected on the CFA exams?

The changes to the Code and Standards go into effect on 1 January 2024. The changes and new guidance will be published in the CFA Program curriculum beginning in May 2024 and will be tested beginning with the 2025 exams. However, member and candidate conduct will be governed by the new standards when they go into effect on 1 January 2024.

What factors motivate changes to the standards - trends in enforcement or disciplinary actions, feedback from industry or individual members, internal CFA Institute review committees, or some other impetus?

All the factors mentioned inform the Board of Governor's decision to revise the Code and Standards. CFA Institute is committed to ensuring that the Code and Standards remain relevant, rigorous, and continue to represent the gold standard for ethical conduct of investment professionals.

Will you send an electronic version of the new 12th Edition of the Standards of Practice Handbook to all members?

The 12th edition of the *Standards of Practice Handbook* will be available for free on the CFA Institute website beginning 1 January 2024 when the revised Code and Standards go into effect. A print-on-demand option for the *Handbook* will be available shortly thereafter.

Can you provide a link to the Market Integrity Insights blog post with the Ethics in Practice case that addresses the new Standards of Professional Conduct?

The link to the blog post with the facts of the Ethics in Practice case can be found [here](#).

The link to the blog post with the answers and analysis of the case can be found [here](#).

Can you provide a recording of the webinar for those who missed the live presentation?

Yes, the link to the recording of the webinar is posted [here](#).

Can you provide a copy of the slide deck from the webinar?

The slide deck from the webinar is available [here](#).

Competence

How will CFA Institute ensure that members and candidates comply with Standard I(E) Competence?

CFA Institute does not evaluate a member's or candidate's compliance with the Code and Standards, absent a self-disclosure of a potential issue or challenge to the member's or candidate's professional conduct. Members and Candidates commit to comply with the Code and Standards on an annual basis and self-disclose potential violations through their annual Professional Conduct Statement. CFA Institute has a robust enforcement program for those who engage in unethical conduct and violate the Code and Standards. The organization is committed to enforcing the Code and Standards and sanctioning those who fail to comply with their ethical responsibilities.

What are some examples of how members and candidates can meet the requirements of Standard I(E) Competence?

Here are some recommended steps for complying with Standard I(E):

- Regularly engage in a professional development or continuing education program
- Study for or earn professional certifications or designations
- Attend conferences, seminars, or webinars
- Regularly participate in training offered by your employer
- Diligently engage in informal continuing education or self-study, such as through outside reading of subject matter articles and publications
- Participating in expert groups or organizations
- Becoming proficient with any new skill or knowledge, as necessary, when your professional responsibilities change

Disclose Nature of Service and Costs

Does Standard V(B.1) requiring disclosure of costs mean cost to the client rather than cost to the investment professional?

The term "costs" in the standard means costs to the client for the investment services provided to the client. It does not mean cost to the investment professional in providing those services.

Does Standard V(B.1) require written acknowledgement by the client?

No, that is not a requirement of Standard V(B.1) or any of the other Standards of Professional Conduct.

Conflicts of Interest

For Standard VI(A) Avoid or Disclose Conflicts, what if the conflict is systemic?

While best practice is to avoid conflicts of interest if possible, where the conflict is systemic or otherwise not possible to avoid, Standard VI(A) requires that members and candidates disclose that conflict of interest.

Has CFA Institute established practices on how to disclose conflicts of interest?

Standard VI(A) requires that disclosures of conflicts are prominent, delivered in plain language and communicate the relevant information effectively. The manner in which members and candidates make the disclosures required by the Code and Standards is at their discretion to meet the facts and circumstances of the situation so long as the disclosures are appropriate, accurate, timely, and complete.