



CFA INSTITUTE

ETHICS IN PRACTICE:

Comment on Facebook Your Responsibility?

CASE STUDY

Wieters runs an investment advisory firm that specializes in equity only asset management. For clients and prospective clients seeking to follow a balanced or fixed-income strategy, Wieters posts on her firm's Facebook page the names of a number of firms that she is familiar with that provide these services. One of the firms replies in the comment section of the post, providing basic performance history information and claiming compliance with the GIPS® standards. Unknown to Wieters, the performance history is misleading and the claim of compliance with the GIPS standards is inaccurate. Has Wieters violated the CFA Institute Code of Ethics and Standards of Professional Conduct?

- A. Yes because Wieters must exercise diligence and have a reasonable and adequate basis for every statement made on her firm's Facebook page.
- B. No, as long as Wieters does not receive referral fees from the adviser for including the adviser's information in the original post.
- C. Yes, if Wieters "likes" the post by the adviser containing the erroneous information.
- D. No because Wieters is not responsible for any information posted by third parties in the comment sections of her firm's Facebook page.

