

STUDY SESSION

1

Code of Ethics and Standards of Professional Conduct

CFA Institute members and CFA Program candidates continually face situations requiring professional and ethical judgement. By acting in a manner consistent with the CFA Institute Code of Ethics and Standards of Professional Conduct (Code and Standards), members and candidates help build greater levels of trust in the investment profession.

This study session provides a framework for ethical conduct in the investment profession. The principles and guidance presented in the CFA Institute *Standards of Practice Handbook (Handbook)* form the basis for the CFA Institute self-regulatory program to maintain the highest professional standards among investment practitioners. A clear understanding of the CFA Institute Code and Standards (both found in the *Handbook*) should allow practitioners to identify and appropriately resolve ethical conflicts, leading to a reputation for integrity that benefits both the individual and the profession. Material under “Guidance” in the *Handbook* addresses the practical application of the Code and Standards. The guidance for each standard reviews its purpose and scope, presents recommended procedures for compliance, and provides examples of the standard in practice.

READING ASSIGNMENTS

Reading 1	Code of Ethics and Standards of Professional Conduct <i>Standards of Practice Handbook</i> , Eleventh Edition
Reading 2	Guidance for Standards I–VII <i>Standards of Practice Handbook</i> , Eleventh Edition

LEARNING OUTCOMES**READING 1. CODE OF ETHICS AND STANDARDS OF PROFESSIONAL CONDUCT**

The candidate should be able to:

- a** describe the structure of the CFA Institute Professional Conduct Program and the disciplinary review process for the enforcement of the Code of Ethics and Standards of Professional Conduct;
- b** explain the ethical responsibilities required by the Code of Ethics and the Standards of Professional Conduct, including the sub-sections of each standard.

READING 2. GUIDANCE FOR STANDARDS I–VII

The candidate should be able to:

- a** demonstrate a thorough knowledge of the Code of Ethics and Standards of Professional Conduct by interpreting the Code and Standards in various situations involving issues of professional integrity;
- b** recommend practices and procedures designed to prevent violations of the Code of Ethics and Standards of Professional Conduct.