



CFA CODE OF ETHICS

- ✓ Overarching principles that set the tone for ethical conduct within the investment profession.
- ✓ High-level, aspirational values that guide how investment professionals should approach their responsibilities, emphasizing integrity, client interests, and professionalism.
- ✓ Encourages CFA members and candidates to embody core values such as honesty, integrity, and competence, building a culture of trust within the financial industry.
- ✓ The principles apply universally to all investment professionals, regardless of specific circumstances or roles.
- ✓ These principles are flexible, intended to inspire ethical judgment and professional excellence.
- ✓ Requires members to internalize and interpret the values in their own professional context.
- ✓ Serves as the philosophical base for ethical thinking, underlying all decisions and professional behavior.
- ✓ Forms the ethical framework that CFA candidates are expected to understand broadly.



STANDARDS OF PROFESSIONAL CONDUCT

- ✓ Detailed guidelines that define specific actions required to uphold ethical principles in various professional scenarios.
- ✓ Actionable rules covering specific areas like professionalism, duties to clients, conflicts of interest, and responsibilities as a CFA member or candidate.
- ✓ Outlines specific do's and don'ts, providing a rule-based framework for ethical behavior in real-world situations.
- ✓ Each standard addresses particular ethical issues relevant to various roles and scenarios in the investment profession.
- ✓ The Standards are specific and directive, reducing ambiguity in application by outlining clear actions to take or avoid.
- ✓ Provides clear-cut guidelines on what CFA professionals must do to stay compliant in specific situations.
- ✓ Provide precise instructions for handling common ethical dilemmas in finance.
- ✓ Exam questions are often based on the Standards, testing candidates' ability to apply rules in realistic scenarios.

Six Core Principles

1. Act with integrity, competence, and respect.
2. Place client interests above personal interests.
3. Use independent and professional judgment.
4. Maintain and improve professional competence.
5. Promote the integrity of capital markets.
6. Encourage ethical behavior in the profession.

Seven Standards (incl. subsections)

1. Professionalism
2. Integrity of Capital Markets
3. Duties to Clients
4. Duties to Employers
5. Investment Analysis, Recommendations, and Actions
6. Conflicts of Interest
7. Responsibilities as a CFA Institute Member or Candidate

In essence, the CFA Code of Ethics is about “who we are” as investment professionals, establishing the ethical values that define the CFA community. The Standards of Professional Conduct are about “what we do,” providing a structured set of rules for ethical action. Together, they form a comprehensive ethical framework guiding both mindset and behavior in the investment profession.