



CODE OF CONDUCT AND ETHICS

Issued by:

The Institute of Certified Investment & Financial Analysts

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Preamble

The Code of Conduct and Ethics is issued by the Council pursuant to Section 8(a) of the Investment and Financial Analysts Act No. 13 of 2015 (IFA Act). In the event of any conflict between the contents of this Code and the provisions of the IFA Act, the provisions of the IFA Act shall prevail.

Introduction

The purpose of this Code of Conduct and Ethics is to promote ethics and professionalism in the investment and financial analysis profession.

The Functions of the Institute in accordance with section 8 of the IFA Act:

- a) To promote standards of professional competence and ethical practice amongst members of the Institute.
- b) To promote research into the subjects of the securities and investments and related matters, and the publication of books, periodicals, journals and articles in connection therewith.
- c) To promote the International recognition of the Institute.
- d) To advise the regulator for the time being responsible for capital markets in respect of licensing investment and financial analysts.
- e) To advise the Examinations Board on matters relating to examinations standards and policies.
- f) To design and administer an initial ethics and integrity test for the purpose of determining the professional suitability of all its members and to subsequently design and undertake such continuous development programs for its members.
- g) To carry out any other functions prescribed for it under any of the other provisions of the Act or any other written law.

This Code is intended to set out standards of professional conduct and ethical behavior for members and staff of the Institute, based on the following vision, mission and core values.

Vision

To be a global leader in standards of professional ethics, training and research for investment and financial professionals.

Mission

To provide competent investment and financial professionals by upholding integrity, promoting research and driving innovation in financial markets.

Core Values

Integrity, Accountability, Professionalism, Innovation, Excellence

PART I: PRELIMINARY

Citation/definition and interpretation of the key words.

This code may be cited as the Code of Conduct and Ethics for members of ICIFA and candidates for the CIFA qualification offered by KASNEB.

Definitions

In this code unless the context otherwise requires:

“CIFA” means Certified Investment and Financial Analysts.

“Code” means the Code of Conduct and Ethics of the Institute of the Certified Investment and Financial Analysts.

“Standards” means standards of professional conduct by members of the Institute of the Certified Investment and Financial Analysts.

“Council” means the Council of the Institute established under Section 9 of the Investment and Financial Analyst (IFA) Act.

“ICIFA” means Institute of Certified Investment and Financial Analysts established under Section 3 of the IFA Act.

“Member” refers to a person who is registered under section 4 of the IFA Act.

“Professional” refers to person who is qualified to be registered as a Certified Investment and Financial Analyst under section 16 of the IFA Act.

“IFA Act” the Investment and Financial Analysts Act (No.13 of 2015).

“Employer” means legal entity that controls and directs a servant or worker under an express or implied contract of employment and pays (or is obligated to pay) him or her salary or wages in compensation.

“Institute” means the Institute of Certified Investment and Financial Analysts.

“Capital Markets Authority” means the Capital Markets regulator in Kenya established under Section 5 of the Capital Markets Act cap 485A”.

“Disciplinary Committee” means the Committee established under Section 27 of the IFA Act.

“Registration Committee” means the Committee established under Section 13 of the IFA Act.

“Examinations Board” means the Kenya Accountants and Secretaries National Examinations Board established under Section 14 of the Accountants Act, 2008.

“Firm” means a sole proprietorship, partnership or a registered company established by members in practice as prescribed by section 21 of the IFA Act.

“Securities Exchange” means a market exchange, securities organization or any other place at which securities and investments are offered for sale, purchase or exchange, including clearing, settlement or transfer of services connected herewith.

“Register” means the Register kept pursuant to Section 18 of the IFA Act.

“Investment and Financial Analyst” refers to a person who gathers and interprets data about securities, bonds, derivatives, companies, corporate strategies, economies, or financial markets. Investment and Financial analyst work for public and private companies, non-profit organizations, investment banks, brokerage firms, fund management firms, pension management firms, unit trusts, hedge funds, collective investment schemes, pension schemes, private equity, mutual funds, securities market, capital markets, insurance companies, government entities, and nearly any other organization that is concerned about making sound investment and financial decisions.

Application

This Code of Conduct and Ethics shall apply to all members of the Institute of Certified Investment and Financial Analysts (ICIFA).

PART II: THE CODE OF CONDUCT AND ETHICS

Compliance with the Code

A member of the Institute shall comply with all the requirements as set out in this Code of Conduct and Ethics of practice handbook. Members shall maintain high personal integrity, moral standards and sound reputation by subscribing to and observing this Code.

Responsibility to Society

Members have a fundamental responsibility to safeguard and advance the interests of society. This implies acting with trustworthiness, integrity, competence and objectivity. This responsibility extends beyond a member's own behavior towards colleagues and the investment profession.

Trust and Duties

Members shall act in the interest of their clients, employers, and interested third parties, and shall be prepared to sacrifice their self-interest to do so. Members shall also place the integrity of the investment profession and the interests of clients above their own personal interests. They shall honor the trust bestowed on them by others. Members shall strive to exercise independence of mind.

Professional Competence

Members shall maintain and continually improve their professional competence and strive to maintain and improve the competence of other investment professionals. Institute members shall remain current with emerging knowledge and practice relevant to their areas of professional practice. Members are therefore expected to demonstrate their commitment to ongoing professional development by engaging in continuing education and complying with continuing competence requirements as prescribed by the Institute.

Deceptive Information

Members shall not be associated with any information which the member knows, or ought to know, to be false or misleading, whether by statement, omission or commission.

Due Care and Professional Judgment

Members shall at all times use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities related to the investment profession. In this regard, members shall strive to continually upgrade and develop their technical knowledge and skills in the areas in which they practise as professionals. This technical expertise shall be employed with due professional care and judgment.

Disclosure

Members shall at all times strive to act diligently and transparently when engaging with clients.

Respect of the Law

Members shall act in accordance with the spirit and principles of the applicable law.

Responsibility to the Profession

Members shall always act in accordance and responsibilities associated with being members of the Institute and the profession, and shall carry on work in a manner which will enhance the image of the profession and the Institute.

Integrity

Members of the Institute shall act with integrity, reliability, respect, and in an ethical manner with the public, clients, prospective clients, employers and employees, colleagues in the investment profession, the government and other stakeholders.

A member of the Institute shall be a person of high integrity who will carry out his/her duties with honesty and impartiality and within the provisions of the vision, mission and core values of the Institute, who should strive:

- a) To act honestly and fairly at all times when dealing with clients, customers and counterparties and to be a good steward of their interests, taking into account the nature of the business relationship with each of them, the nature of the service to be provided to them and the individual mandates given by them and in line with the applicable laws.
- b) To fulfill the responsibilities of his/her appointment and seek to avoid any acts of omissions, commission or business practices which may damage the reputation of the Profession or which are deceitful, oppressive or improper and to promote high standards of conduct.

- c) To observe applicable law, regulations and standards of professional conduct when carrying out financial service activities and to interpret and apply them according to principles rooted in trust honesty and integrity.
- d) To manage fairly and effectively any conflict of interest, including making any disclosure of its existence where disclosure is required by law or regulation or by employer.
- e) To uphold the highest personal standards including rejecting short-term profits, which may jeopardize their reputation as well as that of the employer, the Institute and the investment industry.

PART III: STANDARDS OF PROFESSIONAL CONDUCT

STANDARD A. COMPLIANCE WITH GOVERNING LAWS AND REGULATIONS AND THE CODE AND STANDARDS

Required Knowledge and Compliance

Members of the Institute shall have knowledge of and shall comply with all applicable laws, rules, and regulations of any government, governmental agency, and regulatory organization governing his professional, financial, or business activities, as well as with this Code of Conduct and Ethics.

Prohibition against Assisting Legal and Ethical Violations

Members of the Institute shall not consciously participate in, or assist, any acts in violation of any applicable law, rule, or regulation of any government, governmental agency, or regulatory organization governing his professional, financial, or business activities, nor any act which would violate any provision of this Code of Conduct and Ethics.

Prohibition against Use of Material Non-public Information

Members of the Institute shall comply with all laws and regulations relating to the use and communication of material non-public information. The investment and financial analyst's duty is generally defined as to not trade while in possession of, nor communicate, material non-public information in breach of a duty, or if the information is misappropriated.

Duties under the Standard include the following:

- i. If a member of the Institute acquires such information as a result of a special or confidential relationship with the issuer or others, the member shall not communicate such information outside the relationship, or take investment action on the basis of such information, if it violates that relationship.
- ii. If a member of the Institute is not in a special or confidential relationship with the issuer or others, the member shall not communicate or act on material non-public information if the member knows, or should have known, that such information (a) was disclosed confidentially to him/her, or would result, in a breach of a duty, or (b) was misappropriated.

- iii. If such a breach of duty exists, the member shall make reasonable efforts to achieve public dissemination of such information.

Responsibilities of Supervisors

A member of the Institute with supervisory responsibility shall exercise reasonable supervision over those subordinate employees subject to his control, prevent any violation by such persons of applicable statutes, regulations, provisions of the Code of Conduct and Ethics. In so, the member may rely upon reasonable procedures established by the member's employer.

STANDARD B: REMUNERATION AND OTHER FORMS OF COMPENSATION

Gifts, Benefits, Favor and Hospitality

A member of the Institute shall not accept gifts, benefits or favors from a client where these may influence or may be seen to influence the member's decisions.

Fees and Other Types of Remuneration

When entering into negotiations regarding professional services, a member of the institute, shall exercise discretion in charging whatever fee that is deemed commensurate with the services rendered.

Members shall not charge or accept any fee which is not fully disclosed. Members of the institute are therefore expected to:

- a) Seek an agreement, preferably in writing, at the time of contracting for service with a client.
- b) Explain in advance or at the commencement of a service the basis of all charges, giving a reasonable estimate of projected fees and disbursements, pointing out any uncertainties involved, so that clients may make informed decisions with regard to using an investment professional's service.
- c) Discuss and renegotiate the service contract with clients when changes in the fee schedule are anticipated.
- d) Ensure that fee schedules clearly describe billing procedures, reasonable penalties for missed and cancelled appointments or late payment of fees.

Disclosure of Referral Fees

A member of the institute shall make appropriate disclosure to a prospective client or customer of any consideration paid or other benefit delivered to others for recommending the member's services to that prospective client or customer.

STANDARD C: MARKETING AND ADVERTISING

Marketing and Advertising of Professional Services

When a member in practice solicits new work through advertising or other forms of marketing, there may be potential threats to compliance with the fundamental principles. Therefore marketing should be balanced and factual.

Members shall not bring the profession into disrepute when marketing professional services and shall not:

- a) Make false and/or exaggerated claims for services offered, qualifications possessed or experience gained.
- b) Make disparaging references to unsubstantiated claims to the work of another member.
- c) Compare professional services provided by the member to other members of the Institute.
- d) Incorporate any endorsements or testimonials from current or former clients or any other persons who because of their particular circumstances are vulnerable to undue influence.
- e) Display any affiliation with an organization or association in a manner that falsely implies that organization's sponsorship or certification.
- f) Claim uniqueness or special advantage unsupported by professional or verifiable evidence.
- g) Endorse or lend oneself as a member of the Institute to the advertisement of any property, investment or services for sale or rent to the public unless such property, investment or services relate directly to the profession.

If a member is in doubt whether a proposed form of advertising or marketing is appropriate, the member should consult the Institute for guidance.

STANDARD D: CONFLICT OF INTEREST/MISUSE OF POSITION

A member shall not use his position or connection to attempt to gain or to confer a benefit upon others with whom he has an interest, such as family members, friends, relatives, business associates or colleagues. A member of the Institute, whether in the public or private practice shall consider circumstances in which conflicts may be created. A member in practice may be faced with a conflict of interest when performing a professional service. A conflict of interest creates a threat to objectivity and may create threats to the other fundamental principles. Such threats may be created when:

- a) A member in practice provides a professional service related to a particular matter for two or more clients whose interests with respect to that matter are in conflict.
- b) The interests of a member in practice with respect to a particular matter and the interests of the client for whom the member in practice provides a professional service related to that matter are in conflict.
- c) The matter in which a member has beneficial ownership takes precedence at the expense of the client or the employer.

A member in practice shall not allow a conflict of interest to compromise professional or business judgment. A member engaged in the practice shall not undertake a professional service unless the following conditions are met:

- a) The member does not act in an advocacy role for one client by assuming an adversarial position against the other.
- b) Specific mechanisms are in place to prevent disclosure of information between engagement teams serving two clients.
- c) The member is satisfied, weighing all the specific facts and circumstances, that a reasonable and informed third party would conclude that it is appropriate for the member to perform the professional service in the particular circumstances.

Nepotism/Favoritism

A member of the Institute shall not apply any form of favoritism for relatives, friends or associates in decision-making or provision of services.

STANDARD E: DUTY TO EMPLOYERS

A member of the institute shall inform their employer that they are obligated to comply with the Code of Conduct and Ethics. The member is subject to disciplinary sanctions for any violations committed.

Additional Compensation

Members of the institute shall not accept gifts, benefits, compensation, or consideration that competes with or might reasonably be expected to create a conflict of interest with their employer's interest unless declared in writing.

Loyalty to Employer

Loyalty to a Member's employer shall always be utmost and total. If in the course of performing their duty for the benefit of the employer, a member finds a situation that may result in conflict, the member shall disclose the situation to the employer and recuse himself/herself. For instance if a member is requested to value the member's family business for the purpose of acquisition by the member's employer, the member shall disclose the relationship that exist between the member and the business entity in question.

STANDARD F: DUTY TO SOCIETY

A member of the institute has a fundamental responsibility to safeguard and advance the interests of society. This implies acting with trustworthiness, integrity, competence and objectivity. This responsibility extends beyond a member's own behavior towards colleagues and to this Code of Conduct and Ethics.

Maintenance of Independence and Objectivity

A member of the institute, in relationship and contact with an issuer of securities, shall use particular care and good judgment to achieve and maintain independence and objectivity.

Fiduciary Duties

A member of the institute, in relationships with clients, shall use particular care in determining applicable fiduciary duty and shall comply with such duty as to those persons and interests to whom it is owed.

Conduct in Public

A member of the Institute shall carry himself/herself in dignity both in public and private. A member shall not permit the member's name or firm to be associated with services or involvement in any activity which the member knows, or which a reasonable and informed third party would believe to be unlawful.

Respect

A member of the Institute shall not intentionally injure the professional reputation or practice of another member. However, if a member has evidence that another member is involved in unethical, illegal or unfair practices, in violation of this code, the member should present the information to the Committee responsible for ethics and disciplinary matters at the Institute for appropriate action.

Non-discrimination

A member of the Institute shall not discriminate individuals directly or indirectly on the ground of age, gender, religion, race, color, ethnic origin, marital status, and disability.

Sexual Harassment

A member of the Institute shall not sexually harass a member of the public or a fellow colleague.

Workplace Harassment

A member of the Institute shall avoid unwelcome, abusive, belittling or threatening behavior to fellow colleagues.

STANDARD G: PROFESSIONAL COMPETENCE

A member of the Institute shall:

- a) Maintain and continually improve professional knowledge and skills to ensure that clients or employers receive competent professional service.
- b) Act diligently in accordance with applicable ethical principles and standards of professional conduct when providing professional services.
- c) Exercise sound judgment in applying professional knowledge and skill in the performance of such service.
- d) Take steps to ensure that those working under their authority in a professional capacity have appropriate training and supervision.
- e) Where appropriate, Institute shall make clients, employers or other users of the professional services aware of limitations inherent in the services to avoid the misinterpretation of an expression of opinion as an assertion of fact.

A member's education, training and experience and professional affiliations shall always be described in an honest and accurate manner. In this respect, a member shall:

- a) Not cite false educational and professional qualifications.
- b) Identify preferred areas of practice in which they have specialized training, extensive experience or education.
- c) Not represent as practising members unless they have received a practicing certificate.
- d) Not make false, misleading or exaggerated claims of value addition regarding past or anticipated achievements with respect to clients, scholarly pursuits or contributions to society.
- e) Correct, wherever possible, false, misleading or inaccurate information and representations made by others concerning the member's qualifications or services.

STANDARD H: CONFIDENTIALITY

A member of the institute shall maintain confidentiality of all information obtained from a client or employer and shall not disclose it without proper authority unless there is a legal or professional right or duty to do so.

A member of the Institute shall:

- a) Maintain confidentiality even in a social environment and shall be alert to the possibility of inadvertent disclosure, particularly in circumstances involving long association with a business associate.
- b) Take all reasonable steps to ensure that staff under his or her professional control and persons from whom advice and assistance is obtained respect their professional duty of confidentiality.
- c) Maintain confidentiality even after the end of relationships with a client or employer.

The following are circumstances where a member is or may be required to disclose confidential information or when such disclosure may be appropriate:

- a) Disclosure is permitted by law and is authorized by the client or the employer;
- b) Disclosure is required by law, for example:
 - i). Production of documents or other provision of evidence in the course of legal proceedings.
 - ii). Disclosure to the appropriate public authorities of infringements of the law that come to light.
- c) There is a professional duty or right to disclose, when not prohibited by law:
 - i. To comply with the quality review of a member body or professional body.
 - ii. To respond to an inquiry or investigation by a member body or regulatory body.
 - iii. To protect the professional interests of a members in legal proceedings.
 - iv. To comply with ethical principles and standards and standards of professional conduct requirements.

In deciding whether to disclose confidential information, a member shall consider the following factors:

- 1) Whether the interests of all parties, including third parties whose interests may be affected, could be harmed if the client or employer consents to the disclosure of information by the member.
- 2) Whether all the relevant information is known and substantiated, to the extent it is practicable; when the situation involves unsubstantiated, incomplete information or conclusions, professional judgment should be used in determining the type of disclosure to be made, if any.
- 3) The type of communication that is expected and to whom it is addressed; in particular, a member should be satisfied that the parties to whom the communication is addressed are appropriate recipients.

STANDARD I: INTEGRITY OF CAPITAL MARKETS

Material Non-public Information

Members who possess material nonpublic information are required to hold the information in confidence and should not use or cause others to use the information for their own personal gain. Members occasionally become insiders to corporate bodies when providing advisory services to firms. In the course of performing tasks assigned, they come across non-public information that is material and which if released to the public would cause the market price of the firm's securities change. Disclosing such information goes against the Institute's code of ethical principles.

Market Manipulation

Members shall not engage in practices that distort prices or artificially inflate trading volume with the intent to mislead market participants. Dealers may be tempted to mislead the market by creating fictitious demand or supply for a particular security with the aim of influencing the market price of the activity. The same applies to research analysts who may be tempted to issue a biased report on a particular security. Members shall not participate in such market manipulation activities.

STANDARD J: DUTY TO THE PROFESSION

Members of the Institute shall always act in accordance with the duties associated with being members of the profession, and shall carry on work in a manner which will enhance the profession and the Institute.

Compliance

Members of the Institute shall comply with the Code of Conduct and Ethics, any By-laws of the Institute, the IFA Act (No.13 of 2015) and any other applicable law governing the conduct of the members. A member shall be subject to disciplinary action for any offence which constitutes a breach of professional conduct.

Membership to the Institute

A member of the Institute shall not obtain admission to membership by means of fraud or other irregularity. Obtaining membership fraudulently will constitute a breach of the Code of Conduct and Ethics which is subject to disciplinary action and is a criminal offence. Members are required to notify the Institute regarding a person who has obtained membership by means of fraud or other irregularity. A member shall report to the Institute a fact known to that member sufficient to affect the admittance of any person whose admission may be detrimental to the Institute. An individual shall, when applying to become member, not sign or be associated with any related letter, report, statement or representation which the applicant knew, or should have known, was false or misleading.

Responsibility for Firm

A member in practice who is associated with a firm or corporation carrying on a business or practice, whether as principal, partner, director, officer or shareholder and has significant influence on the ownership or management of such firm or corporation shall be responsible to the Institute for any failure of such firm or corporation. Members in practice shall abide by the Code of Conduct and Ethics of the Institute.

Detrimental Actions

A member shall not participate in any action which is detrimental to the Institute or profession and shall be required to report to the Institute any situation of which the member has sufficient personal knowledge and which the member thinks may be detrimental to the Institute.

Evidence of Professional Misconduct

A Member of the Institute shall not:

- 1) Commit a criminal act, which materially reflects adversely on his honesty, trustworthiness or fitness as a financial analyst in other respects.
- 2) Engage in conduct involving dishonesty, fraud, deceit or misrepresentation.

A member who has been found guilty or granted an absolute or conditional discharge of any criminal or similar offence which may cast doubt as to the member's honesty, integrity, or professional competency, shall promptly inform the Institute of the conviction, finding of guilt or discharge, as the case may be, when the right of appeal has been exhausted or expired. In such cases, the member may be charged with professional misconduct.

Bankruptcy

A member shall immediately notify the Institute if the member becomes bankrupt.

Public Statements

A member shall not make public statements or comments which may be interpreted as representing the Institute or its view, except when authorized to act as an "official spokesperson" for the Institute.

Requirement to Reply in Writing

A member shall promptly reply in writing to any request from the Institute in which a written reply is specifically required.

Assistance to Council

A member shall, when required, comply with the request of the Council or its committees in the exercise of their duties in matters of the IFA Act, the Institute's By-laws or Code of Conduct and Ethics and when required, produce any documents in the member's possession, custody, or control.

Legal Action against a Member

A member shall before entering into legal action against another member which might discredit the profession, give the Institute as much notice as is possible for such an intention, outlining the basis of the proposed action. The member shall also inform the other member the intention to take legal action in writing.

Person Expelled or Suspended

A member shall, before knowingly employing a person who has been expelled or who is under suspension by the Institute or any regulatory body, obtain the facts concerning the expulsion or suspension by the involved institution body.

Use of CIFA Reference "FA"

Associate Members must not use the prefix term "FA" or "FFA".
Full Members must not use the prefix term "FFA".

Members in Practice

Associate Members must not practice.

STANDARD K: COMPETENCE AND INTEGRITY

Members shall maintain competence and integrity in their practice and adhere to the Code of Conduct and Ethics of the Institute.

Competence

Members shall be committed to ongoing professional development and maintaining competence in their practice. Members are responsible for being aware of the extent and parameters of their competence and their professional scope of practice and limit their practice accordingly. When a client's needs fall outside the member's usual area of practice, the member informs the client of the option to be referred to another professional. If, however, the client wishes to continue the professional relationship with the member and have the member provide the service, the member may do so provided that:

- 1) The member ensures that services are competently provided by seeking additional supervision, consultation and/or education.
- 2) The services are not beyond the member's professional ability.

Recommendations for particular service, referrals to other professionals or a continuation of the professional relationship are guided by the client's interests as well as the member's judgment and knowledge.

A member shall remain current with emerging social work knowledge and practice relevant to their area of professional practice. Members shall demonstrate their commitment to ongoing professional development by engaging in any continuing education and continuing competence measures required by the Institute.

Members are expected to maintain current knowledge of policies, legislation, programs and issues related to the financial community, its institutions and services in their areas of practice.

Members are required to ensure that any professional recommendations or opinions they provide are appropriately substantiated by evidence and supported by a credible sources of data and body of professional knowledge.

Integrity

Members are in a position of power and responsibility with respect to all clients. This necessitates that care be taken to ensure that all clients are protected from the abuse of such power during and after the provision of professional services. Members shall establish and maintain clear and appropriate boundaries in professional relationships for the protection of clients. Boundary violations include sexual misconduct and other misuse and abuse of the member's power. Non-sexual boundary violations may include emotional, physical, social and financial violations. Members are responsible for ensuring that appropriate boundaries are maintained in all aspects of professional relationships and exploitive situations do not occur.

Custody of Client Assets

A member shall not assume custody of client monies or other assets unless permitted to do so by law and, if so, in compliance with any additional legal duties imposed on the member.

Protection of the Assets of the Institute

A member shall provide protection for the Institutes assets such as premises, furniture, fittings, technology, systems, information or processes, strategies, business plans, operations and client relations.

Use of Internet, Email and Electronic Media

A member shall not knowingly transmit, view, print, retrieve, download or store communications of a discriminatory, threatening or harassing nature or any mail inappropriate for the business environment.

Alcohol and Substance Abuse

A member shall not indulge in excessive consumption of alcoholic beverages and other addictive substances which may impair work performance or judgment and bring disrepute to the institute or the profession.

Gambling and Political Associations

A member shall not bring disrepute to the Institute through gambling or political activities.

STANDARD L: INVESTMENT ANALYSIS, RECOMMENDATIONS AND ACTIONS

Reasonable Basis and Representations

A member shall:

- i. Exercise diligence and thoroughness in making an investment recommendation to others or in taking an investment action for others.
- ii. Have a reasonable and adequate basis for such recommendations and actions, supported by appropriate research and investigation.
- iii. Make reasonable and diligent efforts to avoid any material misrepresentation in any research report or investment recommendation.
- iv. Maintain appropriate records to support the reasonableness of such recommendations and actions.

Communication with Clients and Prospective Clients

Members shall at all times:

- i. Disclose to clients and prospective clients the basic format and general principles of the investment processes they use to analyze investments, select securities, and construct portfolios and shall promptly disclose any changes that might materially affect those processes.
- ii. Disclose to clients and prospective clients significant limitations and risks associated with the investment process.
- iii. Use reasonable judgment in identifying which factors are important to their investment analyses, recommendations, or actions and include those factors in communications with clients and prospective clients.
- iv. Distinguish between fact and opinion in the presentation of investment analysis and recommendations.

Fair Dealing with Customers and Clients

A member shall act in a manner consistent with the obligation to deal fairly with all customers and clients when:

- i. Disseminating investment recommendations.
- ii. Disseminating material changes in prior investment advice.
- iii. Taking investment action.

Prohibition against Misrepresentation of Services

A member shall not make any statements, orally or in writing, which misrepresent:

- i. the services that member or their firm is capable of performing for the client;
- ii. the qualifications of such member or their firm;
- iii. the investment performance that the member or their firm has accomplished or can reasonably be expected to achieve for the client; or
- iv. the expected performance of any investment. The member shall not make, orally or in writing, explicitly or implicitly, any assurances about or guarantees of any investment or its return except communication of accurate information as to the terms of the investment instrument and the issuer's obligations under the instrument.

Portfolio Investment Recommendations and Actions

A member shall, when making an investment recommendation or taking an investment action for a specific portfolio or client, consider its appropriateness and suitability for such portfolio or client.

In considering such matters, a member shall take into account:

- i. The investment objectives, current and future needs and other circumstances of the client such as the financial status, risk appetite and investment experience.
- ii. The basic characteristics of the investment involved.
- iii. The basic characteristics of the total portfolio. The member shall use reasonable judgment to determine the applicable relevant factors. The member shall distinguish between facts and opinions in the presentation of investment recommendations.
- iv. Any legal documentation and contracts that govern the investment recommendations and investment actions.

Record Retention

Members shall develop and maintain appropriate records to support their investment analysis, recommendations, actions, and other investment-related communications with their clients. Members employed by an organization shall acquire and maintain a thorough understanding of the organization's policies with regard to the retention, storage, preservation and security of records. Self-employed members shall establish clear policies relating to record retention, storage, preservation and security. It is recommended that client records are retained for at least seven years.

Violation of Ethical Principles and Standards of Conduct

Any member who violates any provision of the Code shall be and not limited to discipline including suspension, dismissal, reprimand, revocation of membership and use of designatory letters, or prosecution in a court of law.

The Institute shall take disciplinary action on any member who contravenes any of the provisions of this Code of Conduct and Ethics. Actions can include revocation of membership, candidacy in CIFA program, and the right to use the CIFA designatory letters.

Enforcement of Ethical Standards

The Council of the Institute will be ultimately responsible for the enforcement of the Code of Conduct and Ethics. All disciplinary matters will be conducted through the Disciplinary Committee of the Institute. The resolutions of the Disciplinary Committee shall be presented in the Council for ratification within a period not exceeding 60 days.

Complaint Procedures

The Institute shall have well-established policies and procedures to receive, investigate, and respond to customers' complaints. These procedures shall set out a clear complaint resolution process and identify appropriate contact persons within the Institute.

STANDARD M: RESEARCH REPORTS

Research Reports

A member shall:

- i. Use reasonable judgment as to the inclusion of relevant factors in research reports.
- ii. Distinguish between facts and opinions in research reports.
- iii. Indicate the basic characteristics of the investment involved when preparing for general public distribution a research report that is not directly related to a specific portfolio or client.
- iv. Disclose all other information that may be relevant to enable the reader to understand the report and facilitate informed decision making.

Prohibition against Plagiarism

A member shall not copy or use in substantially the same form material prepared by other persons without acknowledging its use and identifying the name of the author or publisher of such material. A member may, however, use without acknowledgement factual information published by recognized financial and statistical reporting services or similar sources.

PART IV: PROFESSIONAL MISCONDUCT

A member of the Institute shall be guilty of professional misconduct if involved in any of the acts specified under Section 26 of the IFA Act and as may be reviewed by the Council from time to time.

PART V: REVIEW OF THE CODE OF CONDUCT AND ETHICS

The Council may review the Code of Conduct and Ethics from time to time.

June 2017