Concepts	Description
	Standard of Professional Conduct 1 - 7
1. Professionalism	**1. Knowledge of the law** : understand and comply with all applicable laws, rules and regulations (must comply with the more strict law, rule and regulation) Member should : - Keep up with changes in laws, rules and regulations - Separate themselves from prohibited activity ; encourage employer to end that activity - Report violations to governmental autorities is advisable , and required by laws in some countries
	2. Independence and Objectivity : must use reasonable care and judgement to achieve and maintain independence and objectivity on their professional activities - Cannot accept gift that might influence the independence and objectivity - Client's gift for past performance is OK, but should be disclosed to employer - Client's bonus for future performance might influence independence and objectivity → should be disclosed to employer
	3. Misrepresentation : Must not knowingly make any misrepresentation relating to investment analysis, actions, etc. Violations include : - Plagiarism : using other's work without giving them credit - Guarantee specific return on securities that have no explicit guarantee from government body or financial situation - Select valuation service because it has the highest value on untraded security holding - Select irrelevant performance benchmark - Present performance data / attribution analysis that omits accounts or relevant variables - Offer false / misleading info about capability of analyst or firm - Using misleading 3rd party marketing materials
	4. Misconduct : Must not engage in any professional conduct involving dishonesty, fraud, or deceit ; must not commit any act that reflect adversely on their professional reputation, integrity or competence
2. Integrity of Capital market	**1. Material non-public information** : individuals who possess material non-public information that could affect the value of an investment must not act / cause others to act on the information - Members may receive material non-public information when they involve in a certain transactions → Can use those information for that transactions only, unless it becomes public - Not all information from internet / social media is public information → should confirm via company press / regulatory filings * Mosaic theory : combine public information vs non-material non-public information → not violation
	2. Market manipulation : Must not engage in practices that distort prices / artificially inflate trading volume with the intent to mislead market participants
3. Duties to clients	**1. Loyalty, prudence and care** : have a duty of loyalty to clients, must act with reasonable care and exercise prudent judgement - Manage client assets in accordance with IPS - Establish investment objectives of clients based on needs and circumstances - Make investment based on total portfolio context - Inform client of any limitation in advisory relationship - Vote proxies in an informed and responsible manner - Submit to client all statements showing all transactions and information, at least quarterly - Diversify - Deal fairly with all client in regards to investment actions - Disclose conflict and compensation arrangement - Client interest first
	2. Fair dealing : deal fairly and objectively with all clients. - Different service levels are acceptable - Should not take advantage of their position in the industry to disadvantage clients - Give clients fair opportunitiy to act upon every recommendation - Treat client fairly, based on their investment objectives and circumstances - Treat individual and institutional clients fairly
	3. Suitability : - In advisory relationship + Make reasonable inquiry into client's investment experience, risk and return objectives, financial constraints prior to making any investment recommendation / taking investment action. This information must be reassessed and updated regularly + Determine that an investment is suitable to the client's financial situation, and consistent with the written objectives, mandates and constraints prior to making any investment recommendation / taking investment action + Judge the suitability of investments in context of the client's total portfolio - In managing a portfolio : only make recommendations / actions that are consistent with the stated objectives and constraints of the portfolio. In case receive a request from client to purchase an unsuitable security : + Minimal effect on the risk/return profile of the portfolio : follow the firm's policy, and communicate with the client on the reason for unsuitableness + Material effect on the risk/return profile of the portfolio : Update the Investment Policy Statement (IPS); or make a separate client-directed account
	4. Performance presentation : must make reasonable effrost to ensure the investment performance communicated to client is fair, accurate and complete - Avoid mistating performance / misleading client about investment performance - Should not state / imply the ability to achieve rate of return sumular to past performance - Must make detailed information available upon request - Present performance of weighted composite of similar portfolio, rather than a single account - Include terminated accounts as historical performance with clearly state when they were terminated
	5. Preservations of Confidentiality : must keep client's information confidential, unless (1) the information converns illegal activities; (2) require by law; or (3) permit from client