FINANCIAL MANAGEMENT ASSOCIATION
CODE OF PROFESSIONAL CONDUCT AND ETHICS[1]

1. Preamble

Established in 1970, the Financial Management Association International (FMA) is a global leader in developing and disseminating knowledge about financial decision making. To help achieve the goals of our organization, this document sets forth a code of professional conduct and ethics for financial economists.

Although ethical standards and legal principles are closely related, the financial economist's ethical duties may go beyond what is required by law in order to meet high standards as scholars, colleagues, mentors, and educators. The code of professional conduct and ethics set forth herein is not exhaustive, but instead provides a common set of principles to guide the actions of financial economists. In addition to adhering to the code in their own behavior, financial economists should work actively to promote and instill these values throughout the profession.

The Board of Directors and Ethics Committee have the responsibility to maintain and enforce standards of professional conduct and ethics with FMA. These bodies will review and respond to cases of possible or actual misconduct according to the association's "Ethics and Professional Conduct Policy – Vetting and Enforcement Processes." A complaint may be lodged by anyone who becomes aware of a perceived violation of the policy.

2. Competence and Expertise

(a) Professional and Scientific Standards – Financial economists should rely on scientifically and professionally derived knowledge and act with honesty and integrity.

(b) Representation and Misuse of Expertise – In research, teaching, practice, service, or other situations where they render professional judgments or present their expertise, financial economists should accurately and fairly represent their areas and degrees of expertise. They should be alert to and guard against the misuse of their knowledge, expertise, or influence and take reasonable steps to correct or minimize the misuse or misrepresentation of their knowledge, expertise or influence.

3. Conflicts of Interest

(a) Conflicts of interest arise when financial economists' personal or financial interests prevent them from performing their professional work in an unbiased manner. In research, teaching, practice, and service, financial economists should be alert to situations that might cause a conflict of interest or the appearance of a conflict of interest, and take appropriate action to prevent a conflict of interest or disclose it to appropriate parties.

[1] This code is adapted from that of the American Finance Association. Some language in this document is based on the Code of Ethics of the American Sociological Association and the American Astronomical Society.

(b) Regardless of their personal or financial interests or those of their employers or clients, financial economists should adhere to professional and scientific standards, including, but not limited to: (1) the collection, analysis, or interpretation of data; (2) the reporting of research; (3) the teaching, professional presentation, or public dissemination of scientific knowledge; and (4) contractual, consulting, or service activities.

(c) Financial economists should disclose relevant sources of financial support and relevant personal or professional relationships that may have the appearance of or potential for a conflict of interest to an employer or client, to the sponsors of their professional work, or in public speeches and writing. If unable to fully disclose such a conflict due to a contractual obligation, the nature of the conflict, such as firm type and industry, should be disclosed. In addition, financial economists should follow the disclosure policies of the journals and organizations to which they submit articles.

(d) Financial economists should not use or otherwise seek to gain from information or material received in a confidential context (e.g., knowledge obtained from reviewing a manuscript or serving on a proposal review panel), unless they have authorization to do so or until that information is otherwise made publicly available.

(e) Financial economists should take appropriate steps to avoid conflicts of interest or the appearance of conflicts and they should carefully scrutinize potentially biasing affiliations or relationships. When normal professional obligations lead to requests to provide information about or evaluation of individuals or institutions subject to a potentially biasing affiliation, financial economists should reveal all such potentially biasing affiliations along with the information or evaluation. If the potential bias is sufficiently strong, financial economists should consider recusing themselves from voting or evaluation.

Examples:

1) Financial economists who are asked to provide a letter of nomination for a grant or award to a former student should reveal that potentially biasing affiliation in all such letters.
2) Financial economists who are on the selection committee for a prize or grant where a colleague or former student is under consideration should provide information and evaluation only after the requesting party is aware (or has been made aware) of the potentially biasing affiliation.

4. Public Communications

Financial economists should take steps to ensure the accuracy of public communications and refrain from making public statements that are false, deceptive, misleading, or fraudulent, either because of what they state, convey, or suggest or because of what they omit.

Examples:

1) In communications where employment is mentioned, financial economists should make the nature of employment clear, such as when they have non-faculty positions, multiple affiliations, or visiting positions.
2) In communications including but not limited to press interviews, seminars, and expert witness testimony, financial economists should not imply or represent their personal views as being the consensus of the profession's generally accepted views (based on widely accepted scientific evidence) unless this is the case.

5. Other Matters

While the association expects all members, officers, directors, editors, committee members, trustees and Fellows to act in an ethical manner related to the following matters, the association does not generally have investigative purview over these matters. As such, the FMA Ethics Committee will not investigate complaints related to these matters. However, if a body that has investigative purview over these matters finds misconduct on the part of a member, officer, director, editor, committee member, trustee, or Fellow and notifies the FMA as such, that individual may be removed from his/her position and/or as a member of the association per the association's bylaws.

a. **Professional Relations** including matters of equal opportunity; delegation and supervision; discrimination; harassment; abuse of power; fair employment practices; and retaliation. Generally, these issues are under the purview of an individual's employer.

However, conference attendees, sponsors, exhibitors, officers, and staff members are expected to adhere to a Meeting Code of Conduct at all FMA conferences. This code will be published on the association's website. All conference participants will be required to acknowledge and agree to the code during registration.

An ombudsperson will be assigned at the FMA Annual Meeting and international meetings to discuss any concerns participants may have concerning conference related behaviors and activities. The ombudsperson will be able to provide information confidentially and will provide a safe place for people to discuss their concerns in a confidential way to explore options for further action including reporting their concerns to the FMA Ethics Committee via the Executive Director. The ombudsperson will not, however, be authorized to serve as a place where notice of claims can be given to the FMA nor will the ombudsperson have the responsibility or authority to investigate any issues raised. An email account will be set up for conference attendees to contact the ombudsperson up to four weeks after the close of the conference.

At the discretion of the Program Chair and Ethics Committee, sanctions for conference participants violating the Conference Code of Conduct may include removal from conference without a refund and/or temporary or permanent ban from future meetings.

b. **Research and Publication** including plagiarism; authorship credit; responsibility of reviewers; copyrights; confidentiality; and research implementation and dissemination. As it relates to Financial Management, these issues are under the purview of the editors and publisher. *Financial Management* is a member of the Committee on Publication Ethics (COPE) and, as such, follows the highest standards of publication ethics and applies COPE principles of publication ethics outlined in the [Core Practices].

c. **Education, Teaching and Training** including supervision; training; course material selection; and prioritizing student interests. Generally, these issues are under the purview of an individual's employer.