

FIN 7010 (A01 & G01) (3.0 CH)
PROFESSIONAL FINANCIAL ETHICS
FALL 2022

INSTRUCTOR

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Office Hours: Tue & Thur 12:00-1:00 p.m.
Thur 9:30 10:00 p.m.

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Class Time: Thursday 6:15 – 9:30 p.m.
Sept 15 – Dec 1 (except Nov

10)

COURSE DESCRIPTION

This course focuses on the required code of ethics handbook of practice for the Chartered Financial Analyst Program within a broader ethics in finance perspective, and compliance with the legal and regulatory frameworks governing financial markets in both Canada and the United States

The ethics and standards of practice of Chartered Financial Analyst Program are explored and discussed in the broader context of professional ethics in general while exploring the particular requirements of the CFA.

COURSE OBJECTIVES

On course completion, you should be able to:

- Have detailed knowledge of the CFA Standards of Practice Handbook and the Code of Ethics
- Be well prepared to apply knowledge gained to the ethical component of the CFA examinations at all three levels.
- Be able to comprehend the ethical issues in any professional application.
- Be able to make professional judgements grounded in broad ethical reasoning and CFA professional reasoning in particular.
- Be able to communicate effectively and persuasively your reasoning.

COURSE MATERIALS

Required text purchase:

John R. Boatright, *Ethics in Finance*, 3rd edition (2014) John Wiley & Sons.

Other materials including the CFA Code of Ethics and CFA Standards of Practice are either on UM Learn reserve for this course or accessible on-line without cost.

Note that the Standards of Practice was last updated and published by CFA in 2014. Changes have been made and are accessible at:

<https://www.cfainstitute.org/en/ethics-standards/ethics/code-of-ethics-standards-of-professional-conduct-application-guidance>

COURSE ASSESSMENT

- A paper on ethics (see Appendix 1) due October 31 (midnight) in a dropbox on UM Learn (25%)
- A group presentation on an assigned portion of Standards of Practice (10%)
- A mid-term examination November 3 (10%)
- Participation (20%)

Final examination (35%)

Final grades will be assigned as follows;

Cumulative Marks	Grade	GPA	Performance
85-100	A+	4.5	Excellent
79-84.99	A	4.0	Very Good
75-78.99	B+	3.5	Good
70-74.99	B	3.0	Satisfactory
65-69.99	C+	2.5	Marginal
60-64.99	C	2.0	Unsatisfactory
50-59.99	D	1.0	Unsatisfactory
49.99 and below	F	0.0	Unsatisfactory

NOTE: Class attendance is required. Missing more than 20% of this course due to absences may result in a failing grade. It is your responsibility to inform your professor in advance of your absence and the reason for it (medical documentation or employer note if away for a work commitment) is required. The professor decides how to deal with the impact of missed classes on your final grade.

LATE SUBMISSIONS

There is a 20% loss of total possible points for every day or part thereof. While deadlines are set at midnight, there is also a 6-hour grace period before penalties are applied lest a small difference among clocks be blamed.

COURSE SCHEDULE

<u>Tentative Schedule</u>		<u>Read before class</u>
September 15	A need for ethics	<u>Boatright, Chapters 1& 2</u> <u>CFA Code of Ethics</u> <u>CPA Manitoba Code of Professional Conduct (for comparative purposes)</u>
September 22	Ethics in Investment	<u>Boatright, Chapter 4</u> <u>Ethics and Financial Markets, the role of the Analyst</u> <u>CFA Standards of Professional Conduct "Professionalism"</u>
September 29	Ethics in Markets and Management	<u>Boatright, Chapters 5 &6</u> <u>CFA Standards of Professional Conduct "Integrity of Capital Markets"</u>
October 6	Ethical mindfulness	<u>Ethical Mindfulness: a Guide for New Professional Services Professionals</u> <u>Trevino & Nelson, Chapter 3 "Deciding What is Right: A Psychological Approach" from Managing Business Ethics 7th Edition (2017)</u>
October 13	Client	<u>CFA Standards of Professional Conduct "Duties to Clients"</u>
October 20	Employer	<u>CFA Standards of Professional Conduct "Duties to Employers"</u>
October 27	Best advice	<u>CFA Standards of Professional Conduct "Investment Analysis, Recommendations, and Actions"</u>
November 3		<u>Mid-term</u> <u>CFA Standards of Professional Conduct, "Conflicts of Interest"</u>

November 10	NO CLASS	<u>Fall Break</u>
November 17	A balancing Act	<u>CFA Standards of Professional Conduct, CFA Institute Member or Candidate responsibilities”</u>
November 24		Film (Margin Call) and discussion
December 1	Law and the political process; The broader environment	https://www.sec.gov/answers/about-lawshtml.html http://www.osc.gov.on.ca/documents/en/Securities-Category3/csa_20170511_33-319_proposals-enhance-obligations-advisers.pdf http://www.osc.gov.on.ca/en/SecuritiesLaw/legislation/index.htm
		Final Exam

APPENDIX 1

Paper Due October 31st

Learning objective:

We all make mistakes and errors in judgements while we grow up. Hopefully, reflecting on our own less than perfect lives acts as a springboard for future improvement. This assignment calls for a deep personal consideration of the inherent value of being ethical and the drivers of unethical behaviours: the sometimes often difficult choice of behaving ethically. Unless the material in this course is brought down to how each student wishes to live, it is more likely to be an abstract exercise in exam preparation instead of an opportunity to really grow.

Find an episode in your life where you now know you could have done better with respect to acting with the highest ethics. Briefly describe it and look at why you were not the best you could have been. What were the triggers, the incentives, the pressures, etc.? How do you think you can make sure that you will be better going forward?

Looking back on what you have read so far and what has been discussed in class, reflect on the difficulties you see moving forward to being an ethical exemplar in your professional lives. If being ethical were easy and natural, we would not be seeing courses such as this one.

Requirements:

This paper should be written as a professional paper, not an academic paper.¹ To the extent you wish to reference materials, please use APA style. The emphasis is on your own growth rather than displaying your skills in reading and repeating without reflection what you have read of expect the reader wants.

¹ c.f. <https://www.csuohio.edu/writing-center/from-academic-professional-writing>

Using 12pt type, double spacing, 6-7 pages would be the expected paper length. The reader knows none of you, but does know the CFA materials so no need to explain such material.

Assignment:

Reflect on the difficulties you have and see that you will have being an ethical exemplar in your careers and more broadly in society. (Note this is a paper about you, not the CFA professional code.) Your paper will be assessed on three criteria:

- Clear professional writing (engaging presentation, free of language and grammar errors)
- Understanding of triggers for ethical failures and follies (understanding personal weaknesses and triggers)
- Some ideas of how to frame decisions to mitigate ethical stresses

Tutors from the writing tutor program may be used.² Online or in person consultations are available. As graduate students, you may book a session to discuss your outline and flow of the assignment. They do not proof-read for writing mechanics.

<https://umanitoba.ca/student-supports/academic-supports/academic-learning>

ACADEMIC REGULATIONS AND STUDENT SERVICES

HUMAN ETHICS APPROVAL FOR DATA COLLECTION

As part of coursework, if you will be collecting data from people who are not students in this class, you must obtain Human Ethics approval from the UofM's Research Ethics Board (REB) prior to data collection. This applies to data collection such as surveys, interviews, focus groups, experiments, video recording, etc., where a respondent is solicited for participation.

If the entire class will be working on the same project, your instructor will apply for human ethics approval from the REB. If individuals or small groups of students will be working on different projects, it is the responsibility of the students to obtain approval (only one group member needs to apply). Your instructor will tell you whether s/he will be or you need to. **When in doubt, please talk to your instructor.**

Instructions and forms to apply for human ethics approval can be found at:

<http://umanitoba.ca/research/orec/ethics/guidelines.html>

In most cases, you will be using the "Protocol Submission Form" which is under the "REB Forms - Fort Garry Campus" heading.

It can take up to six weeks to process human ethics applications and obtain approval. Therefore, plan early. Note that approval must be obtained prior to data collection and cannot be obtained

² <https://manitoba.mywconline.com/>

during the data collection phase or retroactively. Violation can get you, your instructor, and the Asper School in serious trouble with the REB.

The following do not require REB approval:

- a) Projects where students are conducting the research on themselves during class time;
- b) Projects involving the use of records or information that is in the public domain, including the use of anonymous secondary data and surveys or questionnaires that have already been published;
- c) Projects involving the use of naturalistic observation where there is no reasonable expectation of privacy (i.e. public park).
- d) Practicum or job training projects where students are fully integrated into the organization’s operational practices and are not conducting research;
- e) Projects where the intent is to use the information to provide advice, diagnosis, identification of appropriate interventions or general advice for a client;
- f) Projects where the intent is to develop skills which are standard practice within a profession (e.g. observation, assessment, intervention, evaluation, auditing); or
- g) Projects where the information gathering processes are part of the normal professional relationship between the student and the participants.

If you have any questions, please contact humanethics@umanitoba.ca or your instructor.

UNCLAIMED ASSIGNMENT POLICY

Pursuant to the FIPPA Review Committee’s approved recommendations of August 15, 2007, all unclaimed student assignments will become the property of the faculty and will be subject to destruction six months after the completion of any given academic term.

STUDENT SERVICES AND SUPPORTS

The University of Manitoba provides many different services that can enhance learning and provide support for a variety of academic and personal concerns. You are encouraged to visit the below websites to learn more about these services and supports. If you have any questions or concerns, please do not hesitate to contact your instructor or the Graduate Program Office.

For Information on...	...follow this link
Course Outlines, Year-at-a-Glance, Concentrations, Textbooks, VW Dates and Final Exams	Asper Graduate Student Resources
Exam Rescheduling Policy - <i>Please refer to Missing a Test/Exam on page 18 of the MBA Student Handbook</i>	MBA Student Handbook
Help with research needs such as books, journals, sources of data, how to cite, and writing	Library Resources
Tutors, workshops, and resources to help you improve your learning, writing, time management, and test-taking skills	Writing and Learning Support

Support and advocacy for students with disabilities to help them in their academic work and progress	Student Accessibility Services
Copyright-related questions and resources to help you avoid plagiarism or intellectual property violations	Copyright Office
Student discipline bylaws, policies and procedures on academic integrity and misconduct, appeal procedures	Academic Integrity
Policies & procedures with respect to student discipline or misconduct, including academic integrity violations	Student Discipline
Students' rights & responsibilities, policies & procedures, and support services for academic or discipline concerns	Student Advocacy
Your rights and responsibilities as a student, in both academic and non-academic contexts	Your rights and responsibilities
Full range of medical services for any physical or mental health issues	University Health Service
Information on health topics, including physical/mental health, alcohol/substance use harms, and sexual assault	Health and Wellness
Any aspect of mental health, including anxiety, stress, depression, help with relationships or other life concerns, crisis services, and counselling.	Student Counselling Centre
Support services available for help regarding any aspect of student and campus life, especially safety issues	Student Support Case Management
Resources available on campus, for environmental, mental, physical, socio-cultural, and spiritual well-being	Live Well @ UofM
Help with any concerns of harassment, discrimination, or sexual assault	Respectful Work and Learning Environment
Concerns involving violence or threats, protocols for reporting, and how the university addresses them	Violent or Threatening Behavior

ACADEMIC INTEGRITY

I.H. Asper School of Business, The University of Manitoba

It is critical to the reputation of the I. H. Asper School of Business and of our degrees that everyone associated with our faculty behaves with the highest academic integrity. As the faculty that helps create business and government leaders, we have a special obligation to ensure that our ethical standards are beyond reproach. Any misconduct in our academic transactions violates this trust. The University of Manitoba Graduate Calendar addresses the issue of academic misconduct under the heading "Plagiarism and Cheating." Specifically, acts of academic misconduct include, but are not limited to:

- using the exact words of a published or unpublished author without quotation marks and without referencing the source of these words
- duplicating a table, graph or diagram, in whole or in part, without referencing the source
- paraphrasing the conceptual framework, research design, interpretation, or any other ideas of another person, whether written or verbal (e.g., personal communications, ideas from a verbal presentation) without referencing the source
- copying the answers of another student in any test, examination, or take-home assignment
- providing answers to another student in any test, examination, or take-home assignment
- taking any unauthorized materials into an examination or term test (crib notes)
- impersonating another student or allowing another person to impersonate oneself for the purpose of submitting academic work or writing any test or examination
- stealing or mutilating library materials
- accessing tests prior to the time and date of the sitting
- changing name or answer(s) on a test after that test has been graded and returned
- submitting the same paper or portions thereof for more than one assignment, without discussions with the instructors involved.

Many courses in the I. H. Asper School of Business require group projects. Students should be aware that group projects are subject to the same rules regarding academic misconduct. Because of the unique nature of group projects, all group members must exercise extraordinary care to insure that the group project does not violate the policy on Academic Integrity. Should a violation occur on a group project, all group members will be held jointly accountable, no matter what their individual level of involvement in the specific violation.

Some courses, while not requiring group projects, encourage students to work together in groups (or at least do not prohibit it) before submitting individual assignments. Students are encouraged to discuss this issue as it relates to academic integrity with their instructor to avoid violating this policy.

In the I. H. Asper School of Business, all suspected cases of academic misconduct involving a graduate student (i.e. MBA, MFin, MSCM, MSc or PhD student) will be reported directly by the instructor to the Dean of the Faculty of Graduate Studies.

FACULTY BIOGRAPHY

I.H. Asper School of Business, The University of Manitoba

Howard Harmatz

Lecturer, Business Administration

I.H. Asper School of Business

In ordinary times Harmatz is usually spotted evenings at Drake coaching case teams and debate teams for the Asper School and has supported numerous teams to podium finishes. In this era of Covid-19, he is online doing much the same. Howard R. Harmatz is a lecturer in Business Administration, IH Asper School of Business, University of Manitoba. He holds a M.A. from Simon Fraser University, and has done further graduate studies at the University of Manitoba in the Department of Economics. He holds a B.A. from Goddard College, Vermont. He has been teaching at the University of Manitoba since 1975 and is the 2011 Beatrice Stanton award winner in teaching excellence from the University of Manitoba. He has published in the areas of economic psychology and political science, although he formally studied economic history and public policy.

His focus is developing critical analytical skills in students through extensive coaching debate especially and business case competition and generally asking "Why? Please explain." He is known for intellectual wandering that makes him a perfect companion for cats and a tolerant wife.

He grew up in Boston and as an undergraduate created a social enterprise to support moving families into owner owned housing from furnished about to be demolished residences in the inner city as part of urban renewal.