

# CTSD

## Code of Professional Conduct

The *CTSD Code of Professional Conduct* sets high standards of skill, education, and professional integrity and adherence to its tenets is essential to increasing the prestige and value of the CTSD designation.

The *CTSD Code of Professional Conduct* promotes the integrity of the CTSD designation by codifying the standards of professional behaviour of CTSD certification holders and candidates around the world, regardless of job function, cultural background, or local laws and regulations. All CTSD certification holders and candidates must abide by the *CTSD Code of Professional Conduct* and should notify their employer accordingly. Any violation of the *CTSD Code of Professional Conduct* may result in revocation of i4MT membership, CTSD certification holder status, candidacy in the CTSD program, and/or the right to use the CTSD designation. At all times, CTSD certification holders and candidates are subject to the discipline of the CTSD Board of Overseers and/or the Board of Overseers of the Institute for Market Technology.

CTSD certification holders and candidates must:

- Act with integrity, competence, diligence, respect, and in an ethical manner with all participants in the financial markets.
- Place the integrity of the financial markets above their own personal interests and abide by the laws and rules governing the financial markets.
- Use prudence and exercise independent judgment when conducting trading system analysis, design, testing, implementation and management.
- Maintain and improve their education, skill and professional competence in the areas of expertise defined in the CTSD Core Body of Knowledge.
- Work to maintain and improve the prestige and value of the CTSD designation.
- Abide by the Duties and Responsibilities as described below.

### Duties and Responsibilities

#### I. Adherence to the Law

CTSD certification holders and candidates (holders and candidates) must understand and comply with all applicable laws, rules, and regulations (including the *CTSD Code of Professional Conduct*) of any government, regulatory organization, licensing agency, or professional association governing their professional activities. In the event of conflict, holders and candidates must comply with the more strict law, rule, or regulation. Also, holders and candidates must not knowingly participate or assist in any violation of such laws, rules, or regulations.

#### II. Misconduct and Misrepresentation

Holders and candidates must not engage in any professional conduct involving dishonesty, fraud, or deceit, commit any act that reflects adversely on their professional reputation, integrity, competence or any professional or nonprofessional act that negatively impacts the prestige and value of the CTSD designation. Furthermore, holders and candidates must not knowingly make any misrepresentations relating to trading system analysis, design, testing, implementation and management.

### **III. Market Manipulation and Trading**

Holders and candidates must not engage in practices that illegally or fraudulently distort market prices or that take advantage of material nonpublic information. Furthermore, transactions for investors or employers must have priority over investment transactions in which a holder or candidate is the beneficial owner.

### **IV. Loyalty to Investors**

Holders and candidates have a duty of loyalty to their investors and must act with reasonable care and exercise prudent judgment. Holders and candidates must act for the benefit of their investors and place their investors' interests before that of their employer or themselves. In relationships with retail investors, holders and candidates must adhere to guidelines of fiduciary responsibility.

### **V. Loyalty to Employers**

In matters related to their employment, holders and candidates must act for the benefit of their employer and not deprive their employer of the advantage of their skills and abilities or otherwise cause harm to their employer.

### **VI. Fairness**

Holders and candidates must deal fairly and objectively with all constituents when providing information regarding trading system analysis, design, testing, implementation and management. Furthermore, when communicating trading system performance information, holders and candidates must make reasonable efforts to ensure that it is fair, accurate, and complete.

### **VII. Confidentiality**

Holders and candidates must keep information about current, former, and prospective investors and employers confidential unless the information concerns illegal activities on the part of the investor, disclosure is required by law, or the investor permits disclosure of the information in writing.

### **VIII. Conflicts of Interest**

Holders and candidates must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to their clients, prospective clients, and employer. Holders and candidates must not accept gifts or other consideration that competes with, or might reasonably be expected to create a conflict of interest with their investors or employer's interest unless they obtain written consent from all parties involved.

### **IX. Supervision**

Holders and candidates must make reasonable efforts to detect and prevent violations of applicable laws, rules, regulations, and the *CTSD Standards of Professional Conduct* by anyone subject to their supervision.

### **X. Conduct as Holders and Candidates in the CTSD Program**

Holders and candidates must not engage in any conduct that compromises the prestige, value, reputation or integrity of CTSD or the CTSD designation or the integrity, validity, or security of the CTSD examinations, as determined by the CTSD Board of Overseers and/or the Board of Overseers of the Institute for Market Technology. Furthermore, when referring to i4MT, membership in i4MT, the CTSD designation, or candidacy in the CTSD program, holders and candidates must not misrepresent or exaggerate the meaning or implications of membership in i4MT, holding the CTSD designation, or candidacy in the CTSD program.