

# Focus on Certification Accreditation

## Ethics, Codes, and Certifications

By Gary L. Diffendaffer, CFP®

*Editor's note: The following is a regular Investments & Wealth Monitor column about IMCA's commitment to strengthen and add value to the CIMA® certification in part through third-party accreditation.*



Gary Diffendaffer, CFP®

This month, I venture into the “world of ethics”—another one of the four E’s (experience, education, examination, and ethics)—that deals with the values behind your decisions and actions as you interact with clients, employers, and each other. Ethical behavior is both a challenging and critically important subject on both sides of an investment consultant’s or advisor’s desk.

### Trust: A Value Added Proposition

In a business in which public trust is the cornerstone of the industry’s legitimacy, it is a matter of principle that consultants and advisors adhere to high ethical standards. Trust must be earned every day and can be shattered by the missteps of a few. IMCA’s volunteer leaders, many of whom are CIMA and CPWA certification holders, have set requirements for IMCA’s certifications throughout the years. They have come to expect more of IMCA certificants by establishing standards of behavior that go beyond a simple adherence to the law or regulations. The letter of the law certainly should be followed, but an effective code of professional responsibility takes ethical expectations to the next step—recognizing that adherence to the law is the minimum standard of expected behavior.

### Codes: What Are They?

Ethics codes typically outline broad ethical principles and are not detailed sets of practices for specific issues. They are an organized set of rules that, in IMCA’s case, incorporate values and behaviors that give guidance to certificants in order to use and maintain certifications.

### Take Codes Seriously

Codes of ethics or conduct should be studied and understood. In our modern culture, people often gravitate to the point that they will sign almost anything just to move a process along without taking time to understand what

is being signed. Just as you would not recommend your clients sign anything without fully understanding the agreement, signing an ethical code without thought is not wise; it is important that each certificant understands and commits to the agreement.

Some may see this as theoretical. But both understanding of and commitment to ethical principles are foundational to business practices. Frequently they become factors in major decisions that have very innocent origins (see Garry Bridgeman’s article on page 44 as a practical example).

### Enforcement Adds Value

Codes in many instances, including IMCA’s *Code of Professional Responsibility*, are used as a basis for disciplinary actions when code tenets are not followed. The fact that owners of marks, such as IMCA, will take action against individuals who compromise ethical standards or misuse certification marks adds value for those who adhere to the requirements and employers and clients who rely on them.

### The IMCA Code of Professional Responsibility for CIMA and CPWA Certificants

IMCA’s *Code of Professional Responsibility* has been in place since the organization’s inception in 1985. The *Code* was revised earlier this year by the volunteer Certification Committee, which sets policy. The updated version became effective on July 1, 2009.

I strongly encourage you to reflect on what this *Code* means to you and how you apply it as you make decisions that affect your business and relationships with associates, clients, employers, and vendors. Remember that each time you renew your CIMA or CPWA certification, you agree to adhere to IMCA’s *Code of Professional Responsibility* by signing your name. As you do that, think about what you do or should do differently because of your commitment.


As I’ve stated in previous articles, the purpose of IMCA’s certifications is to distinguish qualified candidates from those who are not. When we consider ethical standards, we see that the certification requirements encompass more than technical skills—they include character

## IMCA Code of Professional Responsibility, revised effective July 1, 2009

The Code, which is available on IMCA's Web site, is composed of seven requirements. They are listed below.

Each financial professional shall:

1. Serve the financial interests of clients. Each professional shall always place the financial interests of the client first. All recommendations to clients and decisions on behalf of clients shall be solely in the best interest of the client.
2. Disclose fully to clients services provided and compensation received. All financial relationships, direct or indirect, between consultants and investment managers, plan officials, beneficiaries, sponsors or any other potential conflicts of interest shall be fully disclosed on a timely basis.
3. Provide to clients all material information related to the investment decision-making process as well as other information they may need to make informed decisions based on realistic expectations. All client inquiries shall be answered promptly, completely, and truthfully.
4. Maintain the confidentiality of all information entrusted by the client, to the fullest extent permitted by regulatory and legal entities in conjunction with the professional's firm/company policy.
5. Comply fully with all statutory and regulatory requirements affecting the delivery of investment consulting services to clients.
6. Maintain competency in investment management consulting and financial services through education and training to better serve clients and enhance investment management consulting.
7. Maintain a high level of professional ethical conduct.

and ethical behavior as well. IMCA seeks to maintain certifications that serve the public, employers, and certificants. By linking all aspects of the certification to a solid ethical foundation, we are working to maintain and enhance certifications that have value to all stakeholders. 

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## 2009–2010 Educational Programs Calendar

### November 9–10, 2009

#### IMCA 2009 Advanced Wealth Management Conference

Renaissance Chicago  
Chicago, IL

### December 6–8, 2009

#### IMCA 2009 Practice Management Conference

The Canyons Grand Summit Hotel  
Park City, UT

### December 14–19, 2009

#### CIMA Level II Class\*\*

### January 11–12, 2010

#### IMCA 2010 New York Consultants Conference

Grand Hyatt New York  
New York, NY

### January 24–29, 2010

#### CIMA Level II Class\*

### February 8–13, 2010

#### CIMA Level II Class\*\*

### February 22–23, 2010

#### 2010 Specialty Conference: Asset Allocation

Fairmont Scottsdale  
Scottsdale, AZ

### March 8–12, 2010

#### CWPA Class\*\*\*

### March 14–19, 2010

#### CIMA Level II Class\*

### May 17–19, 2010

#### 2010 IMCA Annual Conference

Hilton Orlando Bonnet Creek  
Orlando, FL

### June 14–19, 2010

#### CIMA Level II Class\*\*

### July 19–20, 2010

#### IMCA 2010 Advanced CIMA® Workshop:

#### The Best of Wharton

Philadelphia, PA

### July 25–30, 2010

#### CIMA Level II Class\*

### November 8–9, 2010

#### IMCA 2010 Advanced Wealth Management Conference

The Palace Hotel  
San Francisco, CA

### December 5–7, 2010

#### IMCA 2010 Practice Management Conference

Vail Marriott, Vail, CO

\* The Wharton School, University of Pennsylvania

\*\* The Haas School of Business, University of California, Berkeley

\*\*\* The University of Chicago Booth School of Business