

CFA Societies Canada Ethics Challenge

Official Rules

2019

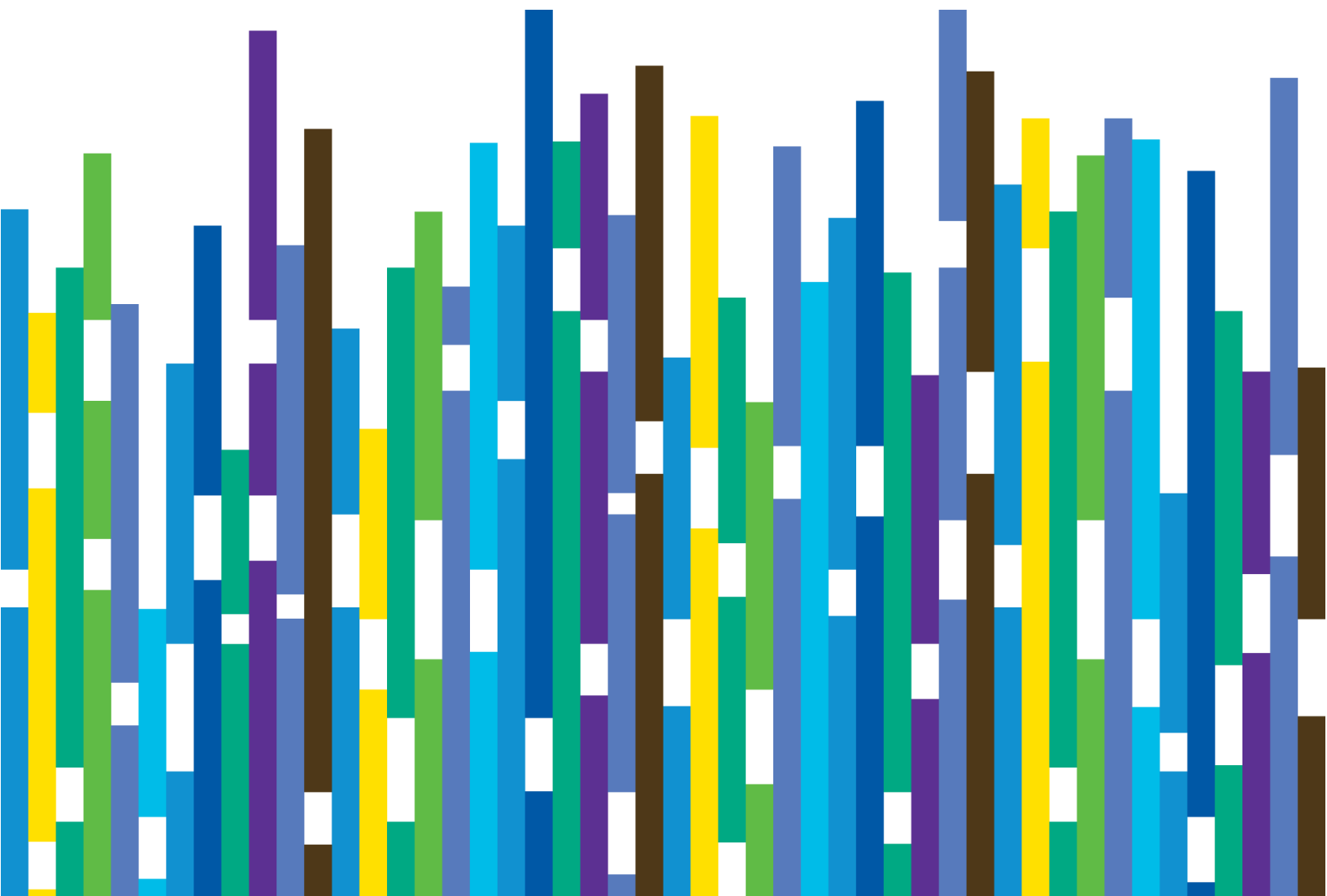


Table of Contents

History.....	3
Goal.....	3
2019 Timeline.....	3
Prizes	3
Overview	4
The Local Competition.....	4
The National Round	4
The Case.....	4
Required Reading	5
Rule 1. Participating Universities	5
Rule 2. Faculty Advisor/Professor	5
Rule 3. Team Composition	6
Rule 4. Team Member Requirements	6
Rule 5. Ineligibility	7
Rule 6. Competition Format	7
Rule 7. Judges	8
Rule 8. Scoring	8
Rule 9. Travel and Accommodations.....	8
Rule 10. National Round Case Preparation.....	9
Rule 11. General Provisions	10
Attachment A – Scoring Instructions.....	13
Attachment B – Presentation Score Sheet.....	14

2019 CFA Societies Canada Ethics Challenge

History

The first Ethics Challenge was started by a CFA Society Toronto volunteer in 2014 where three teams, each from a CFA Institute University Affiliation Program in Toronto participated.

The CFA Societies Canada Ethics Challenge is designed to increase students' awareness of the ethical dilemmas they may face as investment management professionals. Teams consisting of students from finance or business programs (usually from the CFA Institute University Affiliation Program) are given an ethics case to analyze and evaluate. Each team then presents its analysis and recommendations to a panel of judges, selected by the host CFA Society. Following a question and answer period with each team, the judges then select a winner. Their decision is based on the quality of the team's understanding of the ethical issues involved, their recommendations, and the quality of their analysis, presentation, and responses to the judges questions.

Goal

The CFA Societies Canada Ethics Challenge embodies the mission of CFA Institute by promoting "the highest standards of ethics, education, and professional excellence." In addition, it focuses on many of the elements of [CFA Institute's Future of Finance](#) initiative. Equally as important, it helps prepare those entering the investment profession for the ethical challenges that they will face in the workplace.

2019 Timeline

October 31, 2018	Competing universities must confirm participation in the CFA Societies Canada Ethics Challenge with the local host Society.
November 30, 2018	Registration deadline for students and faculty advisors.
January, 2019	The host Society will distribute an identical ethics case study to all registered competing universities (four weeks prior to Local Competition).
Mid-January 2019	Competition kick-off with an interactive ethical decision-making webinar hosted by CFA Institute. (all class members invited to participate)
Late January – Mid-February, 2019	Local Competitions are held across the country.
Early May, 2019	2019 CFA Societies Canada Ethics Challenge held in Calgary, AB where finalists from across Canada compete for the national title.

Prizes

Each member of the winning team from the Local Competition will receive a trophy/award as well as a trip to Calgary in May 2019 to participate in the National Round of the CFA Societies Canada Ethics Challenge (See Rule 9 regarding Travel and Accommodations). All participants will receive a certificate of participation in the Local Competition.

The winning team of the National Round will receive \$500 CAD per student as well as a commemorative award from CFA Societies Canada. All participants will receive a certificate of participation in the National Round.

Prizes are not transferable; no prize substitutions or equivalents are permitted. Prize recipients are solely responsible for all federal, provincial, and local taxes and other fees associated with prize receipt and use.

Overview

The Local Competition

The Local Competitions of the Ethics Challenge will be conducted between late January and mid-February by the host CFA Society. Local Competitions invite at least three (3) different universities, each sponsoring a team of three to five (3-5) students, to participate.

In this round, teams present to a panel of judges after which, the local winning team will be announced. The teams' school affiliation will be withheld from the judges until they have reached their final decisions.

Teams may participate via video conference only if permitted by the host Society.

The winning team from each Local Competition will be invited to attend and present at the National Round. A formal evaluation is provided to all teams who participate in the Local Competition.

The National Round

The National Round of the CFA Societies Canada Ethics Challenge will be held in early May. Teams invited to participate will travel to Calgary with team members for a one-day event and two-night hotel stay. (See Rule 9 regarding Travel and Accommodations).

In the National Round, teams will have up to three (3) hours to work on a new case and then presentations are given live in front of a panel of judges. Presentations are followed by a reception, where team members and faculty advisors will have the opportunity to network. The National winning team will be announced during the reception.

The Case

The same ethics case will be used in each Local Competition. The case will be written in English and French. For the Local Competition, the host Society will confirm if presentations will be presented in English or French. For the National Round all presentations and PowerPoint slides must be in English.

For the National Round a new case will be provided on the day of the competition. See Rule 10 regarding National Round Case Preparation.

The case study used in the CFA Societies Canada Ethics Challenge is the property of CFA Institute and CFA Societies Canada. It may not be reproduced or shared without written permission from CFA Societies Canada. If you would like a copy of the case please send requests to cszpruta@cfacanada.org.

Required Reading:

[CFA Institute's Code of Ethics and Standards of Professional Conduct](#)

[Read more about: The Code of Ethics and Standards of Professional Conduct](#)

[The Code of Ethics and Standards of Professional Conduct Video Series](#)

The Code of Ethics and Standards of Professional Conduct video series is a 22-part primer to the CFA Institute Code of Ethics and Standards of Professional Conduct (Code and Standards), the ethical benchmark for investment professionals globally. You will find the content helpful to learn about the fundamental ethical principles applicable to the investment profession and identify common ethical dilemmas and possible ways to resolve them. Each video conveys the key concepts of the standard, recommended compliance practices, and provides case studies to allow users to practice application of the standard to real world scenarios.

Rule 1. Participating Universities

- 1.1 Three (3) eligible universities must be available to compete in order to hold a local Ethics Challenge. If three (3) universities are not available a Society may **partner with a neighbouring** CFA Society to conduct a joint Local Competition. It is up to each *individual host Society's discretion* to determine the maximum number of universities that are eligible to participate in their Local Competition.
- 1.2 The CFA Societies Canada Ethics Challenge is designed for universities who are part of the [CFA Institute University Affiliation Program](#). If the university is NOT an affiliated school, the school is recommended to have a strong focus on ethics in their curriculum. It is up to each *individual host Society's discretion* which universities are eligible to participate in their Local Competition.
- 1.3 Only the following programs from participating universities are eligible to compete:
 - Master of Finance (MFin)
 - Finance and/or Economics
 - Business
- 1.4 Only **ONE** team per university is permitted to compete.
- 1.5 Only **ONE** winning team per Local Competition is permitted to compete in the National Round.

Rule 2. Faculty Advisor/Professor

- 2.1 Each team needs a faculty advisor/professor from their university to guide them.
- 2.2 The faculty advisor/professor is the main point of contact for the local host Society.

- 2.3 The faculty advisor/professor guides the team/makes recommendations. They **cannot** complete work for the team.
- 2.4 Local Competition: Teams may spend up to 10 hours with the faculty advisors/professor prior to submitting the presentation. Logistical work, such as arranging meeting space and times and class attendance, does not count toward the time limit. Failure to abide by these time limits will result in the team's and faculty advisor's disqualification from the competition.
- 2.5 National Round: The faculty adviser may contribute an additional two hours with teams advancing to the National Round.
- 2.6 The faculty advisor/professor must complete the official online registration.
- 2.7 The faculty advisor/professor must accept the terms of the participation agreement upon registration.

Rule 3. Team Composition

- 3.1 Each team must have three to five (3-5) students. It is recommended that teams consider diversity when selecting team members.
- 3.2 All competing team members must complete the official registration form.
- 3.3 Team members must all be from the same university but may consist of MFin and/or Finance/Economics/Business program students.
- 3.4 If there is both an MFin Program and Finance and/or Economics, or Business program, the MFin students will have the first choice to compete.
- 3.5 Before the case is distributed, team members can be changed by notifying the local host Society in writing and completing the official online registration form for the new team members.
- 3.6 After the case has been distributed, if a team member is formally dismissed from or voluntarily quits the team, and the remaining team comprises less than three (3) members, that team will no longer be eligible to participate in the competition. If, because of extenuating circumstances, such as travel visa denial or serious illness/injury, less than three members of a team are able to attend one of the in-person events (Local or National), that team will not be disqualified provided that there are still at least three (3) official members on the team.

Rule 4. Team Member Requirements

Each team member must:

- 4.1 Currently be enrolled at the participating university when the ethics case study is distributed in January (full or part-time status permitted).
- 4.2 Complete the official online registration.

- 4.3 Accept the terms of the participation agreement upon registration.
- 4.4 Agree to abide by the [CFA Institute Code of Ethics and Standards of Professional Conduct](#).
- 4.5 Complete the required reading prior to the Local Competition.

Rule 5. Ineligibility

An individual is ineligible to be a team member if they:

- 5.1 are or were a CFA charterholder;
- 5.2 have been sanctioned by the CFA Institute Professional Conduct Program; and/or
- 5.3 have previously participated in a CFA Society Ethics Challenge.

Rule 6. Competition Format

All eligible teams compete in a presentation round that will decide the winner. Each team will have 10 minutes to present their analysis and recommendations to a panel of judges and an 10 additional minutes to respond to questions from the judges.

- 6.1 Teams are permitted to use PowerPoint slides for their presentations. Presentations must be submitted three (3) days prior to the Local Competition in the requested format.
- 6.2 Teams must prepare an executive summary to be submitted along with the presentation (maximum of 1,000 words) to be shared with the judges. It will be used for information purposes only and will **NOT** be considered in the overall score.
- 6.3 The identity of the teams' school affiliation will be withheld from the judges until they have reached their final decisions.
- 6.4 Teams must be sequestered in another room so they cannot see or hear other teams make their presentation before they have presented.
- 6.5 Each team will have no more than 10 minutes to make their presentation. Once this time has elapsed all presenters must cease speaking.
- 6.6 Each team member must speak during their presentation. It is recommended the speaking roles be distributed equally.
- 6.7 The team presentation is followed by a 10 minute (maximum) question & answer period from the judges. The judges may conclude the question and answer period prior to the 10 minute maximum time if they deem it appropriate. **ONLY** judges are permitted to ask questions. Once time has been called all presenters/judges must cease speaking.

Rule 7. Judges

- 7.1 The local host Society recruits three to five (3-5) judges for the competition. There must be at least three (3) panel judges for the competition.
- 7.2 Local Competition: the majority of the judges must be CFA charterholders.
- 7.3 National Round: All judges must be CFA charterholders.
- 7.3 Judges **cannot** be currently employed by a participating university.
- 7.4 Judges must accept the terms of the participation agreement.

Rule 8. Scoring

- 8.1 100% of the scoring is based on each team's presentation and its responses to the judges questions.
- 8.2 Scorecards must be filled out by judges (see **Attachment B**). The scores are then used to determine each judge's presentation ranking. See **Attachment A** for the scoring instructions.
- 8.3 The local host Society will tabulate all the rankings to determine a winner.
- 8.4 **If there is a tie** the score each team receives from "Course of Action and Solution" will determine the winner. If there is still a tie the scores from each team should be reviewed in the following categories until the tie is broken and a winner is determined.

Tie breaker rankings:

1. Course of Action and Solution
2. Questions
3. Violations to the Code of Ethics & Standards of Professional Conduct
4. Duties to Clients
5. Duties to Employers
6. Conflicts of Interest
7. Compliance
8. Team Involvement/Poise
9. Materials

Rule 9. Travel and Accommodations

- 9.1 Participants and volunteers are responsible for any and all expenses incurred for travel and accommodations related to the Local Competition unless the local host Society otherwise agrees to be responsible.
- 9.2 CFA Societies Canada will cover reasonable travel and accommodation costs for the winning team of each eligible Local Competition to attend the National Round.
- 9.3 For those travelling within the city or surrounding areas of the location for the National Round, CFA Societies Canada will cover mileage or pre-approved

transportation for the winning team of each eligible Local Competition. Mileage will be reimbursed at the rates prescribed by CRA:

<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/bnfts/tmbl/llwnc/rts-eng.html>

A travel reimbursement form will be shared following the event.

- 9.4 CFA Societies Canada will cover roundtrip economy airfare. CFA Societies Canada covers only the lowest-cost roundtrip option that takes travelers from their departure city to the competition location and back. If travelers decide to extend their stay, choose different layovers, etc., CFA Societies Canada will pay only for the lowest-cost roundtrip option. Extra costs will be incurred by the traveler.

CFA Societies Canada will cover up to two-nights accommodation. If travelers decide to extend their stay, extra costs will be incurred by the traveler and is subject to availability.

- 9.5 Travelers will be responsible for ground transportation, baggage fees, meals not provided during the competition and any other fees or expenses not specifically mentioned. Once flights and accommodations are booked, changes/cancellation fees will be the responsibility of the traveler. Please note that flights and accommodations are booked without cancellation insurance and therefore once booked are non-refundable and non-transferrable. Every effort will be made to accommodate requests, however, CFA Societies Canada reserves the right to choose the airline, hotel and flight times based on best pricing.
- 9.6 All travelers must complete the travel form by the deadline specified by CFA Societies Canada. If travelers submit their form later than this date, CFA Societies Canada will cover only what the cost the flight would have been by the deadline. Extra costs will be incurred by the traveler.
- 9.7 Travel and accommodations will be booked by CFA Societies Canada. Reservations not made by CFA Societies Canada will not be eligible for reimbursement.
- 9.8 Travelers are responsible for having valid passports, any visas that may be required to travel, and any vaccinations or inoculations that may be required.
- 9.9 Travel is not assignable or transferable and may not be redeemed for cash. No substitutions are allowed.

Rule 10. National Round Case Preparation

- 10.1 Teams have three (3) hours to read and analyze the case and to prepare PowerPoint slides for the presentation to a panel of judges. No written summary is required.
- 10.2 Each team will be assigned a workroom for their preparation period as well as a team host who will supervise the team during the preparation period and escort them to the presentation room at the end of the preparation period. The preparation room will be equipped with:
- One (1) PC laptop with no Internet capabilities

- Microsoft Office 2013 including Microsoft Word, Excel, and PowerPoint on each laptop (in English, French is available upon request)
- A copy of the case (available in English and French)

The following items are not permitted in the preparation room:

- Cell Phones
- Personal Electronics (Tablets, PDAs, Smart Watches, MP3 Devices, Recorders and Additional Computers)
- Memory Storage Device (Portable hard drive and Additional USB Flash Drives)
- Bags, Backpacks, Books and Documents

The use of Internet is not permitted.

- 10.3 Teams are expected to use PowerPoint for preparing slides and presentations. Use of animations, video or audio features will not be permitted nor will any add-ons to standard PowerPoint features. Manual animation of slides or building of slides (bringing in one bullet at a time or one element at a time) is allowed. The use of graphics beyond what is available in the Microsoft Office package is not permitted. However, charts and tables are permitted provided that they are created using tools available within Microsoft Office.
- 10.4 There are no limits to the number of slides and exhibits used to support the presentation to the judges. The relevance, clarity, and cohesiveness of the exhibits will be a factor in the judges' evaluations. Additional exhibits may be prepared at the team's discretion in anticipation of questions from the judges' panel. Cue cards and personal notes are allowed for use by the teams during their presentations. All exhibits must be prepared during the allocated preparation time and no material prepared prior to the competition is permitted.
- 10.5 At the end of the preparation time, teams will copy all presentation material to their designated file on the laptop and USB key. During the period between the end of preparation time and presentation, the teams may continue discussing elements of the case. Communication by the participants with their faculty advisors, or anyone outside of the team other than the team host will NOT be permitted from the beginning of the case preparation to the end of the question and answer period.
- 10.6 The presentation files will be accessible by the judges at the end of the question period to assist them in their deliberations.

Rule 11. General Provisions

11.1 Conflicts of Interest

All participants in the CFA Societies Canada Ethics Challenge, including hosts, teams, team members, faculty advisors and judges have an obligation to avoid actual or potential conflicts of interest with their participation. A conflict of interest is any matter that could reasonably be expected to impair an individual's independence and objectivity or interfere with an individual's duties. A conflict may be actual or perceived. As an example, a conflict of interest may exist when a participant or a participant's family member or close friend is involved in activities that affect the

participant's ability to perform his or her role fairly and impartially, but conflicts of interest can arise even without a personal relationship.

To avoid any actual or perceived conflicts of interest, each participant, faculty advisor and/or judge must disclose to CFA Societies Canada in writing any potential conflicts, including but not limited to any close personal or professional relationships with team members, judges or faculty advisors.

CFA Societies Canada (with assistance from the local host Society) will investigate any disclosures of actual or potential conflicts of interest. If a conflict of interest is found to exist and cannot be reasonably and timely settled, the individual with the conflict of interest will be disqualified from participation. If CFA Societies Canada determines that it is necessary to protect the integrity of the competition, CFA Societies Canada may disqualify a team from the competition if any team member or faculty advisor is found to have a conflict of interest that is incapable of being reasonably and timely settled. The decision of CFA Societies Canada regarding the existence of a conflict of interest and its determination regarding the disqualification of any individual or team are final and binding.

11.2 Plagiarism

Plagiarism is prohibited. Plagiarism is defined as copying or using in substantially the same form materials prepared by others without acknowledging the source of the material or identifying the author and publisher of such material.

Sourced information should be properly cited using a generally accepted citation system.

Allegations of plagiarism will be investigated by the local host Society (Local Competition) or by CFA Societies Canada (National Round). Teams found guilty of plagiarism will be disqualified. The team's university may also be ineligible to participate in the following year's competition. The decision of the local host Society or CFA Societies Canada (as applicable) regarding plagiarism is final and binding.

11.3 Intellectual Property

Presentation materials must not infringe the intellectual property rights of any third party. Each student represents and warrants that appropriate acknowledgement has been given and consent has been obtained for quotes or extracts from other sources and that, except as noted, all presentation materials are original and their use and publication by CFA Societies Canada will not expose CFA Societies Canada to any claim or liability for breach of confidence or copyright. CFA Societies Canada reserves the right to assess all presentation materials for content that potentially infringes on any third party's intellectual property rights, and may disqualify any team that submits such content.

Each student grants CFA Societies Canada a non-exclusive, sub-licensable right to produce, reproduce and publish materials created by the student as part of the CFA Societies Canada Ethics Challenge. CFA Societies Canada is authorized to make minor revisions to such materials that it may deem necessary, in its sole discretion, for the

purpose of such publication. Each student further agrees to waive any associated moral rights that she or he may have in respect of such materials.

- 11.4 By participating in the CFA Societies Canada Ethics Challenge, each student grants CFA Societies Canada, the sub-licensable right to print, publish, broadcast and use worldwide in all media without limitation at any time a student's full name, portrait, and/or biographical information for the purpose of promoting the CFA Societies Canada Ethics Challenge.
- 11.5 Any disagreements about matters related to the CFA Societies Canada Ethics Challenge shall be determined by CFA Societies Canada, in its sole discretion, and such decision will be final. In the event of a dispute regarding prize recipients, CFA Societies Canada reserves the right to award or not award the prizes in its sole discretion. CFA Societies Canada reserves the right to disqualify any student whose participation or conduct appears in any way to: inhibit the enjoyment of others; tamper with the CFA Societies Canada Ethics Challenge; violate these rules or any other applicable law or regulation; infringe on the rights of third parties; or act in an unsportsmanlike or disruptive manner.
- 11.6 If for any reason the CFA Societies Canada Ethics Challenge is not capable of running as planned, CFA Societies Canada reserves the right, at its sole discretion, to cancel, terminate, modify, or suspend the CFA Societies Canada Ethics Challenge. If CFA Societies Canada elects to cancel or terminate the CFA Societies Canada Ethics Challenge, CFA Societies Canada will not retain any rights in any submitted materials.
- 11.7 By entering into the CFA Societies Canada Ethics Challenge, each student and faculty advisor/professor agrees to be bound by these rules and the decisions of CFA Societies Canada and/or the judges, which shall be final on all matters related to the CFA Societies Canada Ethics Challenge.

CFA Societies Canada and/or the judges may modify these rules and create and enforce such other rules and measures as may be deemed advisable for the orderly conduct, quality, integrity and reputation of the CFA Societies Canada Ethics Challenge or to correct deficiencies in the CFA Societies Canada Ethics Challenge. Modifications shall not violate the spirit of these rules or the best interests of the CFA Societies Canada Ethics Challenge.

Failure by CFA Societies Canada to enforce any provision of these rules shall not constitute a waiver of that provision.

- 11.8 The CFA Societies Canada Ethics Challenge is subject to all applicable federal, provincial and municipal laws and regulations.

Attachment A – Scoring Instructions

In order to eliminate the fluctuating scores between judges we recommend using the average ranking for each team as opposed to the average raw score. This method provides a more accurate reflection of each team's performance while limiting the impact of an individual judge.

In this example, there are:

- Five teams, identified as Team A-E
- Three presentation judges, identified as Judge 1-3

Judges are responsible for evaluating each team's presentation and assigning a numeric score of 1-100.

The scores for Judge 1 are as follows:

Team	Score
Team A	72.0
Team B	68.0
Team C	77.5
Team D	69.5
Team E	58.5

These scores are then used to determine each judge's presentation ranking (1-5 with 1 being the highest score and 5 being the lowest).

The rankings for Judge 1:

Team	Score
Team A	2
Team B	4
Team C	1
Team D	3
Team E	5

This process is continued until each team has been assigned a ranking from each Judge's scores. The rankings are then averaged with the lowest ranking signifying the best presentation and winner of the competition.

Team Name: _____

Judged By: _____

Ranking: _____

2019 CFA Societies Canada Ethics Challenge Presentation Score Sheet

Criteria	Max Points	Points Earned	Notes/Comments
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SECTION I

Violations of the Standards of Professional Conduct

Were violations properly identified, understood, and explained? Did the team demonstrate appropriate depth and breadth of analysis of the violations?

Standard I <i>Professionalism</i>	5		
Standard II <i>Integrity of Capital Markets</i>	5		
Standard III <i>Duties to Clients</i>	5		
Standard IV <i>Duties to Employers</i>	5		
Standard V <i>Investment Analysis, Recommendations, & Actions</i>	5		
Standard VI <i>Conflicts of Interest</i>	5		
TOTAL POINTS FOR SECTION I	30		

SECTION II

Course of Action and Solution

Relevance <i>Was a detailed plan to resolve the issues in the case presented?</i>	15		
Viability <i>Was the plan practical and implementable?</i>	10		
Resolution <i>Did the plan lead to a possible and satisfactory resolution of the situation?</i>	10		

Persuasiveness

Strength of Argument <i>Did the team deliver their presentation convincingly?</i>	10		
Preparedness <i>Was the team able to answer the questions effectively and with confidence?</i>	15		

Team Involvement

<i>Were all team members sufficiently involved in the presentation and questions and answers?</i>	10		
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TOTAL POINTS FOR SECTION II	70		
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TOTAL POINTS = POINTS FOR SECTION I + POINTS FOR SECTION II	100		
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