

## Industry heavyweights embrace ethics and professionalism at CFA Societies Australia conference

*CFA Societies Australia investment conference favours culture change over more regulation, as delegates from around the world debated the changing face of investment management.*

---

**25 October, 2019**

Ethics, professionalism and whether the future of financial services lies in better culture or more regulation were some of the burning topics at the 2019 CFA Societies Australia Beyond Disruption conference held last week in Sydney.

Industry leaders took to the stage during the day to cover the big issues impacting investment management today – from ESG to understanding the financial marketplace of the future, identifying and responding to ethical conundrums and improving transparency and communication with investors.

There was widespread acknowledgement from speakers that disclosure and regulation can only go so far to address challenges highlighted by the Hayne Royal Commission, and agreed that culture change is equally important. This thorny question formed the basis of a robust debate entitled “The future of financial services lies in better culture, not regulation.”

Almost 200 delegates responded and the results marginally favoured culture over regulation in a close-fought battle. 48.5% of attendees said culture change was the future, 39.7% argued for regulation and 11.9% were undecided.

Earlier in the day ASIC Chair James Shipton honed in on fairness in investment management, when he said that the only way to increase trust and ensure good investor outcomes is through a mixture of culture change and effective regulation.

“It’s right that the community has high expectations of the financial services industry and regulators – because the system exists to serve people – collectively, but also individually.

“Professionalism is a combination of competence and conscientiousness, and although we have a lot to be proud of in Australia, we can’t rest on our laurels – we must continually strive to improve standards and fairness,” he said.

Sonia Gandhi, CFA, Director of Ethics Education & Professional Standards for the CFA Institute highlighted how easy it is for clear ethical breaches to remain unrecognised - for reasons

including situational influence, or the misguided belief that if everyone else is behaving in a certain way it must be ok.

It was Ms. Gandhi's very strong view that we have enough regulation, and that what is needed is a robust ethical culture and good corporate practice across all levels of management. Although she agreed with Mr Shipton that the concept of fairness must lie at the heart of all decisions.

"In every interaction we need to ask ourselves three questions – 'is it legal?', although this is the easy part – we usually know whether something is legal or not. 'Is it honest' is the more

important question, followed by 'is it ethical, or how would I feel if I were on the other side of this action, in my client's shoes. Would I really think what I am doing is fair, if it were being done to me?'" , Ms Gandhi said.

Talking about the conference itself, CEO of CFA Societies Australia, Lisa Carroll, said that an important part of CFA Societies Australia's role is to promote the highest ethical and professional standards in the investment industry, and that the 2019 Beyond Disruption Conference is part of that commitment, in conjunction with research, industry commentary and professional development.

Ms. Carroll pointed to the results of the 2018 CFA Institute Future of Finance's global survey on the state of investors trust. Entitled "The Next Generation of Trust", she said the report shows the importance of talking about and improving trust, ethics and professionalism in Australia now.

"Trust in the financial services industry in Australia is among the lowest in the world – only 31% of those surveyed trust the industry, and worldwide, only German investors have less trust (24%) in the financial services industry than we do.

"This may not be particularly surprising, given the Hayne Royal Commission findings, but as an industry we must work together to address it, so I am pleased that so many of the delegates said how engaging and thought-provoking they found the speakers' presentations.

"The CFA Societies Australia conference offers a forum for industry luminaries and experts to openly and honestly discuss the major issues we face as an industry – and more importantly, to come together to identify potential solutions," she said.

<< ENDS >>



**For enquiries:**

Holly Clark  
0452 069 935  
[holly@bluechipcommunication.com.au](mailto:holly@bluechipcommunication.com.au)

**About CFA Societies Australia**

- CFA Societies Australia is part of the worldwide network of CFA Institute member societies that lead the investment profession globally by promoting the highest standards of ethics, education and professional excellence for the ultimate benefit of society.
- CFA Societies Australia represents the interests of nearly 3000 investment professionals through advocacy, education, events, and professional development.
- CFA Institute, the global association of investment professionals, sets the standard for professional excellence and credentials and is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community.
- There are more than 167,000 CFA charterholders worldwide in 164 markets
- For more information visit [www.cfas.org.au](http://www.cfas.org.au), or follow us on Twitter at @CFASocietiesAus, facebook at [facebook.com/CFASocietiesAus](https://facebook.com/CFASocietiesAus) or LinkedIn at CFA Societies Australia.