

Ethics and her majesty's household

Recognising your ethical responsibilities requires constant vigilance and, as NEIL COLE, explains SIA members need to consult the experts.

It was recently reported, with the headline "Queen fails test on ethics", that 55 per cent of stocks held in the privy purse private estates pension fund failed at least one ethical criterion. Cited examples were British American Tobacco, GKN and Tesco.

GKN, a military aircraft parts maker that "deals with foreign regimes" was, according to the Church of England, "an unsuitable investment for Christians". Tesco was excluded from the FTSE4 Good Ethical Index for not publishing an environmental report.

Ethics has been a common subject for discussion within the Institute, and is covered six times in the 2001 issues of JASSA, with varying themes ranging from SRI (socially responsible investment), positive and negative screening, and ethics in divorce to sustainability. Ethical issues are included in several Institute education and training subjects.

Close to home for many SIA members is the issue of ethics in the business of securities, particularly for the practitioner whose professional life is impacted by an ethical dilemma.

These are situations around which members can turn to the Ethics Advisory Service, which is provided in conjunction with the St James Ethics Centre.

The service is a free and confidential counselling service, available with a toll free call to 1800 672 303 throughout Australia.

The Institute continues to advocate the highest standards of professional conduct, and recognises that the call for ethics goes far wider than investing in green shares and not in drugs of abuse.

The Institute's commitment is towards effective and ethical markets

AN ETHICAL DILEMMA?

How do I know if I have an ethical dilemma?

"You are a fixed interest dealer at an institution and you receive, out of the blue, an allocation of shares in a new float from one of the broking firms you deal with."

"Your employer asks you to recommend to your client base a media stock which the firm is underwriting in a new stock exchange listing. You feel uncomfortable about the suitability of the stock for your clients because it's the wrong time to be pushing stock of this calibre. Your ability to receive guaranteed stock in another issue and your standing in the firm will depend on how successful you are in pushing this media stock."

"You are a fund manager managing a large Australian share portfolio and therefore deal with all the share brokers that you believe provide a good service. You now wish to build you own private share portfolio but are not sure you should use any of the firms that you think are worth doing business with as you are already doing business with them on behalf of the funds you manage."

The dilemma arises when competing moral values call for a choice to be made between what is right and what is appropriate.

across the business of securities, in the widest sense of the term ethics.

Members are encouraged to make use of the St James Ethics Centre

Ethics Advisory Service.

**Neil Cole, JASSA Editorial Board Member.*

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For free and confidential advice call

1800 672 303

Provided by arrangement with
The St James Ethics Centre



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