

## IIUSA New Code of Conduct – Our Commitment to Integrity

By: IIUSA Compliance Committee

IIUSA and its members are committed to integrity and high standards of business conduct. Our organization has made ethics a primary focus because adhering to shared ethical standards is the foundation of our ability to do business and to gain the trust of our industry's stakeholders. The reputation of our organization and each of its members is built by many people over many years, and depends upon upholding our shared values in the way we individually and collectively conduct business every day. Even the best culture should be examined and reinforced, which is why IIUSA is proud to announce that on August 23, 2017, its Board of Directors approved the new *IIUSA Code of Conduct*.

The Code of Conduct is a succinct and impactful expression of our member's commitment to conduct EB-5 business with high ethical standards and to help unite efforts and lead the charge for all EB-5 market participants to join us in our commitment.

Last year, IIUSA's Compliance Committee undertook an analysis of the effectiveness of the *IIUSA's Code of Ethics and Standards of Professional Conduct*, originally adopted in 2014. This analysis resulted in the recommendation that the original code be revised to: (1) ensure that the principals of our code apply to all IIUSA members; (2) ensure that considerations specific to the EB-5 industry are included in our code; (3) provide a general framework from which a multitude of ethical dilemmas could be assessed; and (4) be condensed to provide a clear and concise set of core values that all of our members share. The Compliance Committee, chaired by Mariza McKee and Kurt Reuss, commissioned a breakout subcommittee, the Code of Conduct Subcommittee (the "Code Subcommittee"), chaired by Mariza McKee and made up of members of both the Compliance Committee and the Best Practices Committee to implement these objectives.

Beginning in February, the Code Subcommittee collaborated bi-weekly on telephone conferences over the course of five months to research and analyze codes of conduct. The Code Subcommittee also conducted interviews of IIUSA members to identify the most common ethical issues that arise in EB-5 transactions and to discuss how to analyze them from an ethical perspective. The primary themes that arose from these discussions were: (1) EB-5 sponsors and service providers should put first the interests of EB-5 investors; (2) conflicts of interest and lack of transparency are problematic and detrimental to the EB-5 industry as a whole; and (3) the integrity of the EB-5 market is at risk from misleading marketing and failure by some to comply with existing laws and regulations.

From these collaborative discussions, based largely on the information gathered from our member interviews, the Code Subcommittee derived a set of core values to be reflected in our new Code of Conduct as expressions of our shared commitment to be: ***guardians, professionals, reliable, champions, and committed*** in all of our EB-5

business endeavors. Our organization includes some of the best and most talented EB-5 professionals in the EB-5 community and our continuous commitment to develop an organizational culture that sets the standard for ethical EB-5 business is an integral part of our shared work. We urge all of you to read the new Code of Conduct and to direct any questions to our Compliance Committee.