

## CEP Magazine – June 2021 Consider your conflict of interest policy

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For many—indeed, most—risk areas, it is sufficient to spell out rules and procedures in the code of conduct, as opposed to also doing so in a stand-alone policy. But when the issue is conflicts of interest (COIs), the latter approach may be warranted.

### Why have a COI policy?

COI has always been an important and challenging area for compliance and ethics programs. Among other things, COI standards can be based on a variety of legal and ethical sources. A fair description of COI is where law and ethics meet. In this sense, it is different from risk areas based predominantly on a largely uniform statutory scheme, and thus there is a heightened need to spell out what is expected in this area.

Also, COIs are more likely to be seen as relevant to individual employees than are other risk areas (e.g., when the boss hires their son for a plum job, causing more qualified candidates to feel personally aggrieved). Having a full policy on COIs may be necessary to give such employees the comfort to express concern about an obviously delicate subject.

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