

P.R.I.M.E. Finance

Panel of Recognized International Market Experts in Finance

Bankers Under Pressure – Conduct Reforms



Presentation by Carolyn Jackson
2016 P.R.I.M.E. Finance Annual Conference
25 & 26 January, Peace Palace, The Hague

Regulatory scrutiny

- LIBOR interest rates
- Foreign Exchange
- Flash Crash
- Mortgage-backed securities
- Gold price fixing
- Payment protection insurance



Conduct

- Inappropriate risk taking
- Skewed bonus and financial incentives
- Taking advantage of customer inexperience or unsophistication
- Banker ethos and culture
- Individual accountability issues
- Inherent conflicts of interest
- Organisational deficiencies (such as lack of segregation of duties)
- Inadequate supervision
- Market abuse (collusion, manipulation and sharing confidential information)



Regulatory reforms

- ‘Rolling bad apples’ and ‘recycling’
- Individual accountability
- Remuneration reforms – ‘EU Bonus Cap’
- Extending the reach of Market Abuse regulations
- Whistleblowing
- Senior Managers and Certification Regime



Reforming Conduct

How successful have reforms been in modifying conduct?

What measures have been or will likely be effective in lifting conduct standards?

Will capped bonuses reduce inappropriate risk taking?



P.R.I.M.E. Finance

Panel of Recognized International Market Experts in Finance



P.R.I.M.E. FINANCE
Panel of Recognised International Market Experts in Finance



2016 P.R.I.M.E. Finance Annual Conference
25 & 26 January, Peace Palace, The Hague