
Index

- access to central banks' information 357–63
 see also central banks, transparency and confidentiality mandates
- accountability
 of central banks and bankers 345–6, 354–6
 cultural barriers to *see* negative cultures
 of FCA *see* FCA enforcement action, public scrutiny of
 regulatory barriers to 295–7, 297–8
 under SMR *see* Senior Managers Regime (FCA/PRA), accountability under
- act utilitarianism 11
 see also utilitarianism
- AIG 64
- Alliance and Leicester 305, 309
- altruism 219–21
 see also fiduciary duty of banks, 'fiduciary duty' concept
- American Bar Association's *Model Rules of Professional Conduct* (2017) 206, 210, 211
- AML (anti-money laundering) due diligence 317–18, 336–8
 compliance, rates and quality 320–24
 cultures of non-compliance 333, 336
 FCA enforcement action *see* FCA enforcement action, AML (anti-money laundering) control
 prosecutions for compliance failures
 conviction rates 331
 low numbers of 317–18, 326–7, 330, 335–6
 reform proposals 337
 suspicious activity reports (SARs) 318–19
 see also money laundering
- Anscombe, Elizabeth 9
- anti-money laundering *see* AML (anti-money laundering) due diligence
- Antiphon 296
- applied ethics 5
- Approved Persons Regime (FCA) 35, 123, 131–2, 283
 see also Senior Managers Regime (FCA/PRA)
- Aquinas, St Thomas 3, 57, 63
- arbitrage *see* late trading; market timing
- Aristotle
 on integrity 71
 on justice 18, 56–7
 on man as *zoon politikon* (political animal) 58–9
 Nicomachean Ethics 21, 55–6, 277
 on *pleonexia* (greed) 57
 on prudence 62–3
 see also prudential regulation
 on virtue 3, 21, 22, 55–6, 57–8, 294
 see also virtue ethics
- artificial intelligence (AI)-based anti-money laundering systems 26
- aspirational standards 126–7, 129–34
 see also codes of conduct
- avarice 57, 60, 116, 288
 see also negative cultures
- Bailey, Andrew 281, 388
- Banca Etica 75, 80
- Banca Prossima 75, 98
 internal guarantee fund 101–3
- Bangladesh, microfinance regulation 87, 90, 91–7
 guarantee funds 90
 reporting requirements 85
 self-regulatory body (PKSF) 85
 see also ethical niche banking sector
- Bank of England
 Governor *see* Carney, Mark
 internal transparency and accountability 371
 'One Bank' initiative 370–71
 UK Money Markets Code 62
 see also central banks; United Kingdom
- bank runs 182, 288
- Banking Standards Board (UK) 25, 52, 132–3, 154, 216, 300
- Banking Standards Review (Lambert, 2014) 25, 150, 151, 299–300

- bankruptcy 183
- banks
- discretionary powers 227–8
 - ethical duties *see* financial ethics
 - fees 226
 - fiduciary duty *see* fiduciary duty of banks
 - G-SIBs *see* G-SIBs (global systemically important banks)
 - microfinance institutions *see* ethical niche banking sector
 - retail banking *see* retail banking
 - role of 178–9, 225–6
 - trust in *see* trust in banking sector
- Barclays Bank
- AML due diligence failures 322–4
 - FCA enforcement action against 305–6, 322–4
 - financial ethics reforms 31, 32, 49, 129
 - LIBOR scandal *see* LIBOR (London Interbank Offered Rate) rate-rigging scandal
 - Salz Report: *Independent Review of Barclays' Business Practices* (2013) 31, 49, 150, 280–81, 288, 289, 297
- Bartlett, Robert 103
- Basel Committee on Banking Supervision (BCBS) 120
- capital adequacy rules 28, 78, 81–2 *see also* capital adequacy regulation
 - Core Principles for Effective Banking Supervision* (2012) 65
 - Principles for Enhancing Corporate Governance* (2015) 33–4 *see also* codes of conduct
- Bear Stearns 64
- behavioural economics
- behavioural finance 19
 - 'nudge' theory 77
- behavioural standards 125–9 *see also* codes of conduct
- benefit corporations 74, 101, 103 *see also* ethical niche banking sector
- 'benevolence' concept 116, 126
- Bentham, Jeremy 4, 9, 10, 11 *see also* utilitarianism
- Berenger, Charles Random de (aka Lieutenant-Colonel du Bourg) 187–8
- Blair, William 353
- Blanc brothers (François and Joseph) 189
- Bloomberg, L.P. v. Bd. of Governors of the Fed. Reserve Sys.* (US 2nd Cir.) 360–61, 365
- board incompetence 290–91 *see also* negative cultures
- Boatright, John R. 5
- 'bona fides' (good faith) concept 219
- bonuses 276 *see also* remuneration
- Booth, Philip 59
- Bourdieu, Pierre 40
- Brandt, Richard 10
- Breeden, Richard 297–8
- Buffet, Warren 299
- Burke, Edmund 206
- CaixaBank 75, 89
- capital adequacy regulation
- BCBS rules 28, 78, 81–2
 - CRD IV regime (Regulation 575/2013/EU and Directive 2013/36/EU) 32, 51
 - ethical niche banking sector, rules for 81–2, 83–4
 - market liquidity, impact on 193–4 *see also* financial regulation; prudential regulation
- capitalism 58
- Carney, Mark 26, 31, 47, 343
- expenses, publication of 391
 - on leadership 43–4, 48
 - on the social licence for financial markets 106, 107, 112 *see also* social licence for financial markets
 - see also* Bank of England
- CDOs (collateralised debt obligations) 29
- central banks
- accountability 345–6, 354–6
 - Bank of England *see* Bank of England
 - cultures of financial ethics 351 *see also* cultures of financial ethics
 - codes of conduct 347–8
 - communication and shared values 349
 - disciplinary action 350–51
 - training 348

- whistleblowing 349–50
- ECB *see* European Central Bank (ECB)
- ethical standards required of 345–7, 369–70
- inflation, role respecting 180
- misconduct by central bankers, case studies 340–45, 346, 350
- Netherlands, oversight of financial ethics 216
- pricing of money, role respecting 180–81
- transparency and confidentiality mandates 352–3, 367–8
 - access to information rules and exemptions 357–63
 - confidentiality, rationale 363–4
 - transparency, rationale 353–7
 - reconciliation of mandates 364–7
- see also* regulators
- Certification Regime (FCA) 35, 45, 121, 123, 132, 215–16, 285
 - see also* FCA (Financial Conduct Authority)
- challenger banks (UK) 78
- Challenger space shuttle disaster (1986) 196
- Changing Banking for Good* (UK PCBS, 2013) 25, 110, 114, 150, 275, 382
- CBI submission to Commission inquiry 150–51
- cultures of banking, main findings 34, 60–61, 281, 296–7
- SMR resulting from *see* Senior Managers Regime (FCA/PRA)
- see also* United Kingdom
- Chartered Banker Code of Professional Conduct* (CBI) 47, 132, 158, 301
 - background to 149–53, 157–8
 - challenges and lessons learned 173–5
 - FCA codes, relationship with 160, 164, 173–4
 - future development 175
 - impact 171–3, 176
 - implementation and enforcement
 - arrangements 156–7, 159, 164, 165
 - benchmarking 166–7
 - implementation targets 165–6
 - monitoring and reporting 168–71
 - organizational alignment 168
 - professional standards
 - concept 153–5
 - conduct, indicators and performance outcomes 163, 164
 - expertise, indicators and performance outcomes 162
 - three levels of 160–61, 165–6
 - structure 161
 - see also* codes of conduct; professional standards in banking
- Chartered Banker Institute (CBI)
 - Code of Professional Conduct see Chartered Banker Code of Professional Conduct* (CBI)
 - decline in ethical banking standards, views on 150–51
 - Framework for Professional Standards 153
 - Professional Standards Board 149–50, 152–3, 154, 155–7, 175–6
- Chile, access to central bank information 362
- China
 - bank corporate governance 38–40
 - Confucian business ethics 40
 - money resources 178
- Christianity 14, 17
- Co-operative Bank 75
- codes of conduct 53, 107–8, 115, 117, 134–5
 - addressees of 123
 - aspirational standards 126–7, 129–34
 - BCBS codes 120
 - Core Principles for Effective Banking Supervision* (2012) 65
 - Principles for Enhancing Corporate Governance* (2015) 33–4
 - behaviour, impact on 117–18, 131–4
 - behavioural standards 125–9
 - for central banks 347–8
 - contents 72
 - deterrent effect *see* deterrence, credibility of
 - FCA codes *see* FCA (Financial Conduct Authority)
 - IMF codes *see* IMF (International Monetary Fund)
 - implementation 42–4
 - ethics committees 48, 49
 - industry-written codes 44–5, 120–22, 132–3
 - benefits of 198–9

- Chartered Banker Code of Professional Conduct* (CBI) *see Chartered Banker Code of Professional Conduct* (CBI)
- FMSB standards 200–201
see also FICC (fixed income, currency and commodities) markets, FICC Markets Standards Board (FMSB)
- FX Global Code 44, 121, 200–201
- Lord George Principles for Good Business Conduct* (Worshipful Company of International Bankers of the City of London) 127–8
- legal hardness of 119, 128–30
- ‘map’ of (UK context) 118–19, 127, 128–9, 136–48
- national cultural factors affecting 38–42
see also cultures of financial ethics
- PRA codes *see* PRA (Prudential Regulation Authority)
- public law standards 119–20, 122
- on remuneration 49–50, 130
- on socially responsible lending 122
- structural standards 124–5
- sufficiency of 27, 35, 48, 76
- top 10 world banks, ethical codes of 37
- UK Money Markets Code (Bank of England) 62
see also social licence for financial markets
- collateralised debt obligations (CDOs) 29
- commission payments 293
see also remuneration
- common good 58–9
- commutative justice 19
see also justice theories
- compensation *see* remuneration
- compensatory justice 19
see also justice theories
- composition fallacy 64
- Conduct Code for Staff (FCA) 61, 132, 285–6
see also FCA Handbook
- Conduct of Business Sourcebook (FCA) 127, 231, 232, 236
see also FCA Handbook
- confidence in banking sector *see* trust in banking sector
- confidentiality of central banks *see* central banks, transparency and confidentiality mandates
- conflicts of interest
 of banks 218, 234
see also fiduciary duty of banks
 of central bankers 342–4, 347–8
 of lawyers representing sovereigns 211–12
see also sovereigns, ethical representation of
- Confucianism 22, 40
- consequentialism 9–10
see also utilitarianism
- consumer banking *see* retail banking
- Core Principles for Effective Banking Supervision* (BCBS, 2012) 65
- corporate governance
 in China 38–40
 codes of conduct *see* codes of conduct
Corporate Governance: Board Responsibilities (PRA, 2016) 291
 CSR *see* CSR (corporate social responsibility)
 by G-SIBs (global systemically important banks) 36–8
 incentive audits 315–16
 in Italy 41–2
Principles for Enhancing Corporate Governance (BCBS, 2015) 33–4
 remuneration *see* remuneration
 risk management *see* risk management
 theories of 104
 in UK 122
 in US 37, 38, 103
- corrective justice 18, 56
see also justice theories
- corruption
 Chinese policies addressing 39
 laundering proceeds of *see* money laundering
 by sovereigns 208–10
see also sovereigns, ethical representation of
- counterparties, fair treatment of 50, 51
- CRD IV regime (Regulation 575/2013/EU and Directive 2013/36/EU) 32, 51

- credible deterrence *see* deterrence, credibility of
Credible Deterrence in the Enforcement of Securities Regulation (IOSCO, 2015) 302
- credit bureaus *see* ethical niche banking sector
- criminal sanctions 328–9
see also enforcement, penalties
- crowdfunding 82, 98–9
- CSR (corporate social responsibility) 39–40, 103–4, 220–21
 benefit corporations 74, 101, 103
 in China 38
 social licence for financial markets *see* social licence for financial markets
 socially responsible lending 74–6, 122
see also corporate governance; ethical niche banking sector
- cultural relativism problem 6–7, 24
- cultures of financial ethics 53
 Barclays Bank reforms to promote 31, 32, 49, 129
 for central banks *see* central banks, cultures of financial ethics
 in China 38–40
 codes of conduct to promote *see* codes of conduct
 corporate governance to promote *see* corporate governance
 employees' views on, survey findings 133
 engendering 76, 297–301, 309, 315–16, 337–8
 in Italy 40–42
 need for 33, 53–4, 71, 274, 278–9, 299
 negative cultures *see* negative cultures
 risk awareness emphasis 31–2, 51
 whistleblowing 52, 294, 349–50
see also financial ethics
- Davidson, Jonathan 43
- Decision Procedure and Penalty Manual (FCA) 376
see also FCA Handbook
- Declaration of the Rights of Man and of the Citizen 1789 (France) 357, 367
- deontology 4, 14–15, 21
 categorical imperative 15–16
 criticisms of 17–18
 moral law *versus* moral principles 16–17
- deposit insurance 83
- derivatives markets
 electronic trading 195
 EU regulatory proposals 194
 ISDA standard form documentation 119, 121
 mis-selling on 30
 OTC (over the counter) derivatives 194–5, 196
 systemic risks from 64–5
 US regulation *see* United States, swaps market regulation
- descriptive ethics 5
- deterrence
 credibility of 302–3, 315–16, 327–30
Credible Deterrence in the Enforcement of Securities Regulation (IOSCO, 2015) 302
 FCA's enforcement strategy evaluated 303–7, 309, 311, 330–35, 336–8, 380, 387–8
see also FCA enforcement action
 penalties, imposition on firms or individuals 279, 323–4, 328, 336
 prerequisites
 congruence of hearts 310–13
 congruence of minds 307–10
 trust in regulators 314–15, 346–7, 351, 353–7, 380, 389–90
 reputational risk 49, 53, 192, 279, 299, 341–2
see also enforcement
- disclosure regulation
 counterparties, disclosure to 51
 in Hong Kong 28–9
 limitations of 29
 retail customers, information deficiencies 224–5, 226
 sovereign issuers, disclosure documents for 212–13
see also sovereigns, ethical representation of
 in the US 30
see also financial regulation
- distributive justice 18, 56
 insider trading, distributive justice analysis 20
see also justice theories
- Down, Mikael 300
- due process 19
 in FCA enforcement action 378–83
see also FCA enforcement action

- Duer, William 186–7
 Duisenberg, Willem 356
 ‘duty of care’ concept 218–19
 Dworkin, Ronald 126
- e-banking services 90, 98
 ECB *see* European Central Bank (ECB)
 education on financial ethics 71, 316, 348
 EFAMA (European Fund and Asset Management Association) 241, 242
 efficient markets hypothesis 238–9
 see also market timing
 Elliott, Douglas 65
 enforcement
 AML reporting requirements *see* FCA enforcement action, AML (anti-money laundering) control
 deterrent effect *see* deterrence, credibility of
 enforcement pyramid 330
 as ethical issue 372
 see also FCA enforcement action, as ethical issue
 FCA enforcement action *see* FCA enforcement action
 penalties 183, 215
 criminal sanctions 328–9
 imposition on firms or individuals 279, 323–4, 328, 336
 private warning notices (FCA) 379–80
 proportionality, need for 350
 punishment of bankers, public desire for 281–3
 reputational sanctions 49
 UK banks, estimated penalties 185–6
 responsive (‘smart’) approach 327–30
 see also regulators
 Enforcement Guide (FCA) 374, 376, 381
 see also FCA enforcement action; FCA Handbook
 equity *see* justice theories
 equity markets
 efficient markets hypothesis 238–9
 see also market timing
 funds *see* funds
 Kay Review of UK Equity Markets and Long-Term Decision Making 217
 ethical codes *see* codes of conduct
 ethical cultures *see* cultures of financial ethics
 ethical niche banking sector 74–7
 case studies *see* Bangladesh, microfinance regulation; India, microfinance regulation; Italy, microfinance regulation; Pakistan, microfinance regulation; Spain, microfinance regulation
 cross-country comparisons
 criteria for 90
 table 91–7
 EU policies on 81, 99–101
 Social Entrepreneurship Funds Regulation (346/2013/EU) 89
 general financial regulation
 capital adequacy rules 81–2, 83–4
 inappropriateness of 83–5
 proportionality-based regulation for 77–9, 83
 guarantee funds 90, 100–101
 innovation, support for 90, 98–9
 self-regulation
 benefit corporations as a model 74, 101, 103
 internal guarantee funds, case study 101–3
 need for 85–6
 ‘nudging’ proposals for 79, 104–5
 see also retail banking
 ethics
 definition 2–3, 4–5
 discourses in 3–4, 5, 9
 see also deontology; justice theories; utilitarianism; virtue ethics
 ethical relativism problem 5–7, 24
 financial ethics *see* financial ethics
 scientism, influence of 7
 ethics committees 48, 49
 EU law
 access to information law 357–8, 358–9
 see also European Central Bank (ECB), access to information
 CRD IV regime (Regulation 575/2013/EU and Directive 2013/36/EU) 32, 51
 derivatives markets, regulatory proposals 194
 ECB *see* European Central Bank (ECB)

- European Banking Authority 28, 98
 European Systemic Risk Board 66
 financial exclusion, policies addressing 81, 99–101
 Funds Transfer Regulation (2015/847/EU) 318–19, 325
see also money laundering
 High-Level Experts Group on Sustainable Finance 114
 MiFID II regime 32, 51, 122, 131
 proportionality principle 64
 prudential regulation, approach towards 100
 Social Entrepreneurship Funds Regulation (346/2013/EU) 89
 subsidiarity principle 59
 UCITS (Undertakings for Collective Investment in Transferable Securities) regime 241, 246, 252, 267, 271
eudaimonia (happiness) 3, 23, 56
see also virtue ethics
 euphoria/hubris/self-deception 60, 288, 289–90, 292, 294–5, 296
see also negative cultures
 European Banking Authority 28, 98
 European Central Bank (ECB) 41, 358
 access to information 358–9, 361, 363
 data collection and confidentiality rules 364
 Governing Council minutes, publication of 355–6
Guiding Principles for External Communication by Members of the Executive Board 363–4
Code of Conduct for the Members of the Supervisory Board 352
 microfinance sector, support for 100
 Statute of the European System of Central Banks and of the European Central Bank 354, 359, 364
see also central banks
 European Federation of Ethical and Alternative Banks (FEBEA) 75
 European Fund and Asset Management Association (EFAMA) 241, 242
 European Systemic Risk Board 66
 excessive short-term trading *see* market timing, as trading strategy
 exchange controls 182
 executives *see* senior managers
 Fair and Effective Markets Review 46, 47, 132, 199, 216
see also FICC (fixed income, currency and commodities) markets
 fair games thesis 238
see also market timing
 FCA (Financial Conduct Authority)
 Approved Persons Regime 35, 123, 131–2, 283
see also Senior Managers Regime (FCA/PRA)
 Certification Regime 35, 45, 121, 123, 132, 215–16, 285
Chartered Banker Code of Professional Conduct (CBI), relationship with FCA codes 160, 164, 173–4
 enforcement action *see* FCA enforcement action
Failure of HBOS plc (HBOS) (2015) 32
see also HBOS failure
 Handbook *see* FCA Handbook
 on industry-written codes of conduct 44–5
 internal transparency and accountability 371, 392
 Financial Regulators Complaint Commissioner 389–90
 trust and transparency relationship 390–92
 regulatory initiatives in collaboration with banks 50
 Remuneration Code 49–50
 SMR *see* Senior Managers Regime (FCA/PRA)
 TCF (treating customers fairly) initiative 131, 308–9
 UK financial regulatory standards, ‘map’ of 118–19, 127, 128–9, 136–48
see also social licence for financial markets
see also regulators; United Kingdom
 FCA enforcement action 43, 185–6, 309, 314

- AML (anti-money laundering) control 321
 - enforcement options 326–37
 - fines imposed 323–4, 332
 - investigative powers 324–6, 336
 - Office for Professional Body
 - Anti-Money Laundering Supervision 337
 - against senior managers 322–3, 326
 - strategy evaluated 330–35, 336–8
 - against Barclays Bank 305–6, 322–4
 - cooperation with other regulators 374
 - criteria for 374–5
 - Decision Procedure and Penalty Manual 376
 - Enforcement Guide 374, 376, 381
 - as ethical issue 372, 392–3
 - ethical concerns 378–83
 - ethical reforms 383–7
 - penalties *see* enforcement, penalties
 - private warning notices 379–80
 - process 376–8, 380, 381, 384–5
 - public scrutiny of
 - Financial Regulators Complaint Commissioner 389–90
 - Green Report (*Report into the FSA's Enforcement Actions Following the Failure of HBOS*) (2015) 334, 375, 382, 385
 - Review of Enforcement Decision Making at the Financial Services Regulators* (HM Treasury, 2014) 381, 382, 383–5, 388
 - trust and transparency relationship 390–92
 - reform proposals 315–16
 - Regulatory Decision Committee 376
 - settlement 380–81, 384–5
 - strategy
 - enforcement or supervision 372–6
 - evaluated 303–7, 309, 311, 330–35, 336–8, 380, 387–8
 - see also* deterrence, credibility of
 - see also* enforcement; FCA (Financial Conduct Authority)
- FCA Handbook 372
 - Conduct Code for Staff 61, 132, 285–6
 - Conduct of Business Sourcebook 127, 231, 232, 236
 - Decision Procedure and Penalty Manual 376
 - Enforcement Guide 374, 376, 381
 - Principles of Business 61, 127, 129, 231
 - fair treatment of customers 51, 308
 - integrity 47
 - no customer remedies for breach 232
 - proper market conduct 46
 - see also* FCA (Financial Conduct Authority)
 - FEBEA (European Federation of Ethical and Alternative Banks) 75
 - fees for banking services 226
 - FICC (fixed income, currency and commodities) markets
 - Fair and Effective Markets Review 46, 47, 132, 199, 216
 - FICC Markets Standards Board (FMSB) 52, 120–21, 174, 199–201
 - market abuse research 190–91, 195
 - misconduct on 186, 195
 - fiduciary duty of banks 214–17, 236
 - 'fiduciary duty' concept 216, 217–19, 230 and altruism 219–21
 - recognizing fiduciary duty, tests for 221–4, 228–9
 - rationale 220–21
 - towards retail customers 214
 - content 230–32
 - English case law on 222, 229–30
 - scope 232–3
 - vulnerabilities of retail customers 224–9
 - waiver 233–6
 - Financial Conduct Authority *see* FCA (Financial Conduct Authority)
 - financial ethics 53, 177
 - of central bankers *see* central banks
 - codes of conduct *see* codes of conduct
 - cultures of *see* cultures of financial ethics as a discipline 5
 - see also* ethics
 - Dutch 'banker oath' proposal 293–4
 - education on 71, 316, 348
 - employees' views on, survey findings 133
 - ethical enforcement *see* FCA enforcement action, as ethical issue

- fiduciary duty *see* fiduciary duty of banks
 human rights *see* human rights
 ‘integrity’ concept 31, 46–7, 62, 71, 72, 298
 lawyers’ ethical duties *see* lawyers’ ethical duties
 misconduct *see* misconduct
 need for 26, 53–4
 see also cultures of financial ethics, need for
 ‘proper market conduct’ concept 46
 regulatory frameworks for *see* financial regulation
 remuneration *see* remuneration
 responsible lending *see* responsible lending
 of senior managers *see* senior managers
 separation thesis 7–8
 social licence for financial markets *see* social licence for financial markets
telos (purpose) of finance 8–9, 25–6, 55–6, 72, 297
 theories *see* deontology; justice theories; utilitarianism; virtue ethics
 trust in banking sector *see* trust in banking sector
- financial exclusion
 after Global Financial Crisis 82
 ethical banking and microfinance to address *see* ethical niche banking sector; microfinance
 policies addressing 26, 80–81
 EU policies 81, 99–101
- financial law *see* rule of law in finance
- financial markets
 derivatives markets *see* derivatives markets
 equity markets *see* equity markets
 FICC markets *see* FICC (fixed income, currency and commodities) markets
 misconduct on *see* misconduct
 social licence for *see* social licence for financial markets
 ‘stability’ of 65
- financial regulation 183–4
 accountability, regulatory barriers to 295–7, 297–8
 approaches towards 193, 327–30
- capital adequacy *see* capital adequacy regulation
 central banks *see* central banks
 in collaboration with banks 50–51, 53
 ‘conduct void’ problem 193
 codes of conduct to address *see* codes of conduct
 conduct
 deterrent effect *see* deterrence, credibility of
 disclosure *see* disclosure regulation
 enforcement *see* enforcement
 of ethical niche banking sector *see* ethical niche banking sector
 ethical regulatory framework, requirements of 72
 flexible interpretations of 192
 penalties *see* enforcement, penalties
 prudential regulation *see* prudential regulation
 reforms after Global Financial Crisis *see* Global Financial Crisis (2007–9), regulatory reforms after
 regulators *see* regulators
 rule of law *see* rule of law in finance
 ‘social licensing’ distinguished 109, 113–14, 118, 124–5
 see also social licence for financial markets
- Financial Regulators Complaint Commissioner (UK) 389–90
- Financial Services and Markets Act 2000 (UK) 109, 232, 276, 304
- FCA’s enforcement powers *see* FCA enforcement action
 FCA’s investigative powers 324–6, 336
- Financial Stability Board 36
- ‘financial stability’ concept 65
- Finnis, John 63, 67–8
- fixed income, currency and commodities markets *see* FICC (fixed income, currency and commodities) markets
- FMSB *see* FICC (fixed income, currency and commodities) markets, FICC Markets Standards Board (FMSB)
- foreign currency controls 182
- FOREX rate-rigging scandal 306

- Fox News Network, LLC v. Bd. of Governors of the Fed. Reserve Sys.* (US 2nd Cir.) 360–61, 365
- France
- access to central bank information 358, 361–2
 - Declaration of the Rights of Man and of the Citizen 1789 357, 367
 - funds
 - fund holdings of French households 242–3
 - unité de compte* (unit of account) trading 252, 253, 254, 259
 - valuation and dealing timeframe for 246–7
 - historical market abuse in 189
 - market timing and late trading regulation 264–6, 267
- freedom of information rules for central banks 357–63
- see also* central banks, transparency and confidentiality mandates
- Freeman, Michael 67
- frequent trading *see* market timing, as trading strategy
- Friedman, Milton 7, 104
- fund timing *see* market timing, as trading strategy
- funds 240–41
- as investment vehicles for retail customers 241–3
 - as long-term investment vehicles 243–4
 - as open-ended investment vehicles 244
 - pricing of
 - net asset value 244–5
 - valuation and dealing timeframe for 245–7
 - pricing inefficiencies and arbitrage opportunities 248
 - practices exploiting inefficiencies *see* late trading; market timing
 - UCITS (Undertakings for Collective Investment in Transferable Securities) regime (EU) 241, 246, 252, 267, 271
 - see also* equity markets
- Funds Transfer Regulation (2015/847/EU) 318–19, 325
- see also* money laundering
- FX Global Code 44, 121, 200–201
- G-SIBs (global systemically important banks)
- Barclays Bank *see* Barclays Bank
 - challenger banks competing with (UK) 78
 - corporate governance by 36–8
 - HBOS failure *see* HBOS failure
 - HSBC *see* HSBC
 - investors' trust in, survey findings 38
 - JP Morgan Chase 129, 306–7
 - list of 36
 - Morgan Stanley 50, 129
 - 'social licence' of 111
 - see also* social licence for financial markets
 - 'too big to fail' doctrine 60
 - Wells Fargo 289, 290
- Galbraith, John Kenneth 180
- Galilei, Galileo 178
- Garrick, Sir Ronald 292
- see also* HBOS failure
- Gauweiler and Others v Deutscher Bundestag (C-62/14)* (ECJ) 64
- General Data Dissemination Standard (IMF) 356, 364
- George, Eddie 33
- Lord George Principles for Good Business Conduct* (Worshipful Company of International Bankers of the City of London) 127–8
- Georgosouli, Andromachi 64
- Global Financial Crisis (2007-9) 5, 8
- causes of 59–60, 64–5, 276
 - low interest rates in US 181
 - negative cultures *see* negative cultures
 - sub-prime lending in US 214
 - economic consequences of 178, 185
 - HBOS failure *see* HBOS failure
 - regulatory reforms after 27–8, 183–4, 186
 - central banks, transparency reforms 352, 356–7, 366–7
 - in Hong Kong 28–9
 - macro prudential policy reforms 65–6
 - market liquidity, impact on 193–4
 - sufficiency of 197–8

- in UK *see* United Kingdom, financial ethics reforms
- in US 194, 357, 366–7
- social consequences of 69–71, 82
- Global FX Code 44, 121, 200–201
- global systemically important banks *see* G-SIBs (global systemically important banks)
- GMAC 305
- ‘good faith’ (*bona fides*) concept 219
- Goodwin, Sir Fred 281–2
 - see also* HBOS failure
- Gower, L.C.B. 109
- greed 57, 60, 116, 288
 - see also* negative cultures
- Green Report (*Report into the FSA’s Enforcement Actions Following the Failure of HBOS*) (2015) 334, 375, 382, 385
- Grotius, Hugo 67, 68
- guarantee funds for microfinance institutions 90, 100–101
 - Banca Prossima internal guarantee fund 101–3
 - see also* ethical niche banking sector
- guidelines *see* codes of conduct
- Guiding Principles on Business and Human Rights* (UN) 120
 - see also* human rights
- Haldane, Andrew 28
- Hamilton, Alexander 186, 187
- Handbook (FCA) *see* FCA Handbook
- happiness (*eudaimonia*) 3, 23, 56
 - see also* virtue ethics
- Hart, H.L.A. 68, 281
- Hayes, Tom 192
- HBOS failure
 - ‘*Accident Waiting to Happen*’: *The Failure of HBOS* (UK PCBS, 2013) 291–2, 293
 - cultural factors contributing to 291–2, 293
 - see also* negative cultures
 - Failure of HBOS plc (HBOS)* (FCA/PRA, 2015) 32
 - Financial Services Authority criticized in wake of 334, 375, 382, 385
- ‘headline risk’ to reputation 49, 53, 192, 279, 299, 341–2
- Hess, David 353
- High-Level Experts Group on Sustainable Finance (EU) 114
- Hildebrand, Phillip 342–3, 344, 349
- Hobbes, Thomas 4, 19, 57, 67, 111, 282
- Hogg, Charlotte 343–4, 345, 347, 349, 350, 371
- Hohfeld, Wesley 69
- homo economicus* 19, 69–70
- Hong Kong, disclosure rules reform 28–9
- House of Commons Treasury Select Committee (UK) 114, 334, 371, 382, 383, 387, 388
- HSBC
 - AML due diligence failures 331–2
 - CSR statements 228, 229
- hubris/euphoria/self-deception 60, 288, 289–90, 292, 294–5, 296
 - see also* negative cultures
- human rights 67–8
 - access to central banks’ information 357–63
 - see also* central banks, transparency and confidentiality mandates
 - due process 19
 - in FCA enforcement action 378–83
 - see also* FCA enforcement action
 - financial exclusion *see* financial exclusion
 - Guiding Principles on Business and Human Rights* (UN) 120
 - social justice, economic dimension 69–71, 113
 - sovereign immunity, relationship with 203
 - see also* financial ethics; justice theories
- Hume, David 4, 22, 23, 294
- Hursthouse, Rosalind 23, 24
- IMF (International Monetary Fund) 185, 352
 - Code of Good Practices on Transparency in Monetary and Financial Policies* 354, 355
 - General Data Dissemination Standard 356, 364
 - Managing Director (Christine Lagarde) 47–8, 55, 60, 71
 - Special Data Dissemination Standard 356
- incentive audits 315–16
- independence of central banks *see* central banks, transparency and confidentiality mandates

- Independent Review of Barclays' Business Practices* (Salz Report, 2013) 31, 49, 150, 280–81, 288, 289, 297
- India, microfinance regulation 87, 91–7
 Andhra Pradesh microfinance crisis 86
 e-banking, lack of support for 90, 98
 proposals to promote 86
 reporting requirements 85
 self-regulatory body (MFIN) 85
see also ethical niche banking sector
- Indignados protests 69
- inflation 179–80
- information asymmetries in banking 224–5, 226
see also disclosure regulation
- insider trading
 case studies 341–2, 342–3
 distributive justice analysis 20
 fund timing and late trading compared with 268–70
see also late trading; market timing, as trading strategy
 'market information' concept 269
 police investigations 325
 utilitarian analysis 11
- insolvency 183
- insurance
 deposit insurance 83
 fund timing through insurance products 250, 252–4
see also market timing
 insurance companies' fund holdings 242, 243
 PPI (payment protection insurance)
 mis-selling scandal (UK) 215, 305, 309, 312–13, 316
 'integrity' concept 31, 46–7, 62, 71, 72, 298
- interest rates 180–81
- intergenerational justice 206–7, 208
- International Financial Reporting Standards 357
- International Monetary Fund (IMF) *see* IMF (International Monetary Fund)
- International Organisation of Securities Commissions (IOSCO) 255, 302
- International Swaps and Derivatives Association (ISDA) 119, 121
- investment funds *see* funds
- Investor Trust Studies* (CFA Institute/Edelman) 53–4
see also trust in banking sector
- IOSCO (International Organisation of Securities Commissions) 255, 302
- Irish Institute of Banking professional standards development programme 300–301
- irresponsible lending *see* responsible lending
- ISDA (International Swaps and Derivatives Association) 119, 121
- Islam 14, 17
- Italy
 Banca Etica 75, 80
 Banca Prossima 75, 98
 internal guarantee fund 101–3
 benefit companies 74
 ethical business cultures in 40–42
 microfinance regulation 87–8, 91–7
see also ethical niche banking sector
 crowdfunding 98–9
 reporting requirements 85
- Japan, money resources 177–8
- Jefferson, Thomas 206
- JP Morgan Chase 129, 306–7
- Judaism 14
- justice theories 18–19, 56–7
 intergenerational justice 206–7, 208
 principles of justice 19–20
 procedural and substantive fairness distinguished 311–12
 social justice 69–71, 113
see also human rights
- Kant, Immanuel 4, 14–16, 17, 19
see also deontology
- Kay Review of UK Equity Markets and Long-Term Decision Making 217
- Kelly, James E. 365–6
- Kelsen, Hans 68
- Kenya, e-banking in 98
- Kohn, Donald L. 366
- Lacker, Jeffrey 344, 346, 350
- Lagarde, Christine 47–8, 55, 60, 71
see also IMF (International Monetary Fund)

- Lamandini, Marco 103–4, 105
- late trading 248–9, 251–2
 funds, pricing inefficiencies of 248
 see also funds
 in historically priced funds 270–71
 insider trading compared with 268–70
 US mutual fund scandal (2003) 249, 250, 251, 259, 265
 see also market timing; misconduct
- Lautenschlager, Sabrina 41
- Lauterpacht, Hersch 68
- law, financial *see* rule of law in finance
- lawyers' ethical duties 213
 fiduciary duty 216, 217–19, 230
 sovereign clients *see* sovereigns, ethical representation of
- leaders *see* senior managers
- legitimacy of banking sector *see* trust in banking sector
- legitimate expectations 222–3
 see also fiduciary duty of banks
- Lehman Brothers 64
- Lemkin, Rafael 68
- LIBOR (London Interbank Offered Rate)
 rate-rigging scandal 25, 150, 189, 192, 196, 214, 279
 Barclays Bank financial ethics reforms following 31, 32, 49, 129
 UK financial ethics reforms following *see* United Kingdom, financial ethics reforms
- Locke, John 67, 111, 294–5
- London Interbank Offered Rate rate-rigging scandal *see* LIBOR (London Interbank Offered Rate) rate-rigging scandal
- Lord George Principles for Good Business Conduct* (Worshipful Company of International Bankers of the City of London) 127–8
- McCabe, Patrick E. 259
- MacGregor, Rob 282
- MacIntyre, Alasdair 57
- Macris case (FCA v Macris (UKSC))* 306–7
- macro prudential policy reforms after Global Financial Crisis 64–6
 see also prudential regulation
- Maduro, Nicolás 208
- managers, senior *see* senior managers
- Maritain, Jacques 58–9
- market abuse *see* misconduct
- market economics (capitalism) 58
- market timing 237–8
 funds, pricing inefficiencies of 248
 see also funds
 as investment strategy 238–40
 as trading strategy 240, 248–51, 268, 271–2
 dilution and disruption effects 254–60, 272
 fund timing through insurance products 250, 252–4
 insider trading compared with 268–70
 regulatory responses, UK and France 260–67
 US mutual fund scandal (2003) 249, 250, 251, 259, 265
 see also late trading; misconduct
- markets
 derivatives markets *see* derivatives markets
 equity markets *see* equity markets
 FICC markets *see* FICC (fixed income, currency and commodities) markets
 misconduct on *see* misconduct
 social licence for *see* social licence for financial markets
 ‘stability’ of 65
- Markets in Financial Instruments Directive II (MiFID II) regime 32, 51, 122, 131
- martingales 238
 see also market timing
- Medley Global Advisors 344
- meta-ethics 4, 5
- microfinance 74, 76, 79–80
 EU policies on 81, 99–101
 Social Entrepreneurship Funds Regulation (346/2013/EU) 89
 in Europe 82
 see also Italy, microfinance regulation; Spain, microfinance regulation

- in Indian subcontinent *see* Bangladesh, microfinance regulation; India, microfinance regulation; Pakistan, microfinance regulation
- microfinance institutions, regulation of *see* ethical niche banking sector
- in Tanzania 84
- MiFID II regime 32, 51, 122, 131
- Milgram, Stanley 196
- Mill, John Stuart 4, 10, 220
 - see also* utilitarianism
- mis-selling
 - banks' fiduciary duty to retail customers *see* fiduciary duty of banks, towards retail customers
 - caveat emptor* approach 30
 - commission payments, association with 293
 - disclosure regulation to address *see* disclosure regulation
 - PPI (payment protection insurance)
 - mis-selling scandal (UK) 215, 305, 309, 312–13, 316
 - responsible lending *see* responsible lending
- misconduct
 - causes
 - 'bad apple' and 'rotten barrel' theories 195–7
 - negative cultures *see* negative cultures
 - structural issues 191–5
 - by central bankers, case studies 340–45, 346, 350
 - codes of conduct to address *see* codes of conduct
 - corruption *see* corruption
 - enforcement *see* enforcement; FCA enforcement action
 - FOREX rate-rigging scandal 306
 - historical cases of 186–90
 - insider trading *see* insider trading
 - late trading *see* late trading
 - LIBOR scandal *see* LIBOR (London Interbank Offered Rate) rate-rigging scandal
 - market timing (as trading strategy) *see* market timing, as trading strategy
 - mis-selling *see* mis-selling
 - money laundering *see* money laundering
 - penalties for *see* enforcement, penalties
 - 'proper market conduct' concept 46
 - as prudential issue 36
 - techniques 190–91
- mobile banking services 90, 98
- Model Rules of Professional Conduct* (ABA, 2017) 206, 210, 211
- Modern Finance Theory (MFT) 8, 24
- money
 - concept 178
 - foreign currency controls 182
 - global money, data on 177–8
 - inflation 179–80
 - pricing of 180–81
- money laundering
 - AI-based solutions 26
 - AML due diligence *see* AML (anti-money laundering) due diligence
 - bank collusion with 322–3
 - behavioural standards to address 126
 - Chinese policies addressing 39
 - Funds Transfer Regulation (2015/847/EU) 318–19, 325
 - senior managers' accountability for 287, 322–3, 326
 - UK policies addressing 26
 - reporting requirements *see* AML (anti-money laundering) due diligence
 - see also* corruption
- Money Markets Code (Bank of England) 62
- moral philosophy *see* ethics
- Morgan Stanley 50, 129
- mutual fund scandal (US, 2003) 249, 250, 251, 259, 265
 - see also* late trading; market timing
- mutual funds *see* funds
- Napoleon I of France 187–8
- narcissism 289–90
- natural law theory 3, 8, 14, 67–8
- negative cultures
 - 'bad apple' and 'rotten barrel' theories 195–7
 - board incompetence 290–91
 - contagion effects 299

- greed 57, 60, 116, 288
 hubris/euphoria/self-deception 60, 288,
 289–90, 292, 294–5, 296
 remedies *see* cultures of financial ethics
 tribalism 288–9
 in UK banking
 AML due diligence, cultures of
 non-compliance 333, 336
 at Barclays Bank, Salz Report findings
 31, 49, 150, 280–81, 288, 289, 297
 at HBOS *see* HBOS failure
 PCBS report findings 34, 60–61, 281,
 296–7
 see also *Changing Banking for
 Good* (UK PCBS, 2013)
 reforms to address *see* United Kingdom,
 financial ethics reforms
- neoliberalism 8
- Netherlands
 ‘banker oath’ proposal 293–4
 central bank oversight of financial ethics 216
 regulatory initiatives in collaboration with
 banks 50–51
- New York Stock Exchange 187
- New Zealand, central bank transparency 352
- Newton, Isaac 178
- Nicomachean Ethics* (Aristotle) 21, 55–6, 277
 see also Aristotle
- Nietzsche, Friedrich 4
- Nolan Principles 370, 390
- non-executive directors 150, 290–91, 300
- non-governmental organizations 122
- Northern Rock 288, 292
- ‘nudge’ theory 77
- Occupy Wall Street protests 69
- O’Connell, D.P. 203
- O’Neill, Onora 44, 197–8, 200, 390–91
- OTC (over the counter) derivatives 194–5, 196
 see also derivatives markets
- Overend & Gurney 288
- Pakistan, microfinance regulation 87, 91–7
 e-banking 98
 guarantee funds 90
 reporting requirements 85
- self-regulatory bodies (PMN and PPAF) 85
 see also ethical niche banking sector
- Parliamentary Commission on Banking
 Standards (UK)
 ‘*Accident Waiting to Happen*’: *The Failure
 of HBOS* (2013) 291–2, 293
 see also HBOS failure
 Changing Banking for Good (2013) *see*
 Changing Banking for Good (UK
 PCBS, 2013)
- Paternoster, Ray 328
- payment protection insurance (PPI) mis-selling
 scandal (UK) 215, 305, 309, 312–13, 316
- peer-to-peer lending 82, 98–9
- penalties *see* enforcement, penalties
- Peters, Ian 170–71
- Pieper, Josef 57, 63, 64
- Pitsiorlas v. Council of the European Union and
 European Central Bank* (CFI) 361
- Plato 18
- pleonexia* (greed) 57, 60, 116, 288
- Pottage, John 281
- PPI (payment protection insurance) mis-selling
 scandal (UK) 215, 305, 309, 312–13, 316
- PRA (Prudential Regulation Authority) 371
 *Corporate Governance: Board
 Responsibilities* (2016) 291
 financial ethics, fundamental rules 61–2
 internal transparency and accountability 371
 SMR *see* Senior Managers Regime (FCA/
 PRA)
 UK financial regulatory standards, ‘map’ of
 118–19, 127, 128–9, 136–48
 see also social licence for financial
 markets
 see also regulators; United Kingdom
- preferential utilitarianism 11
 see also utilitarianism
- principles *see* codes of conduct
- Principles for Enhancing Corporate Governance*
 (BCBS, 2015) 33–4
- Principles for Good Business Conduct*
 (Worshipful Company of International
 Bankers of the City of London) 127–8
- Principles of Business (FCA) *see* FCA Handbook,
 Principles of Business

- private warning notices (FCA) 379–80
 - see also* FCA enforcement action
- procedural justice 19
 - due process in FCA enforcement action 378–83
 - see also* FCA enforcement action
 - see also* justice theories
- Proceeds of Crime Act 2002 (UK) *see* AML (anti-money laundering) due diligence
- professional standards in banking
 - CBI Professional Conduct code *see* *Chartered Banker Code of Professional Conduct* (CBI)
 - Irish Institute of Banking programme on 300–301
 - non-banker senior appointments 150, 290–91, 300
 - see also* senior managers
- ‘proper market conduct’ concept 46
- proportionality principle 64
 - ethical niche banking sector, applied to
 - see* ethical niche banking sector, proportionality-based regulation for
 - proportionate penalties 350
- prospectuses *see* disclosure regulation
- prudential regulation
 - capital adequacy *see* capital adequacy regulation
 - EU law approach 100
 - failures, as cause of Global Financial Crisis 64–5
 - macro prudential policy reforms after Global Financial Crisis 65–6
 - misconduct as prudential issue 36
 - ‘prudence’ concept 62–4, 72
 - see also* financial regulation
- Prudential Regulation Authority *see* PRA (Prudential Regulation Authority)
- public trust *see* trust in banking sector
- punishment *see* enforcement, penalties; retributive justice
- purpose (*telos*) of finance 8–9, 25–6, 55–6, 72, 297
 - see also* financial ethics
- Rachels, James 2
- random walk hypothesis 238–9
 - see also* market timing
- Rawls, John 13, 18, 19–20, 111
- Raz, Joseph 70
- Regulation 346/2013/EU (Social Entrepreneurship Funds Regulation) 89
- regulation, financial *see* financial regulation
- regulators
 - Bank of England *see* Bank of England
 - central banks *see* central banks
 - enforcement action *see* enforcement; FCA enforcement action
 - ethical standards required of 345–7, 369–72, 392–3
 - ethical enforcement *see* FCA enforcement action, as ethical issue
 - FCA *see* FCA (Financial Conduct Authority)
 - Financial Regulators Complaint Commissioner (UK) 389–90
 - PRA *see* PRA (Prudential Regulation Authority)
 - trust in 314–15, 346–7, 351, 353–7, 380, 389–90
 - see also* deterrence, credibility of trust and transparency relationship 390–92
 - see also* financial regulation
- regulatory capture 342, 387, 393
- relativism, ethical 5–7, 24
- remuneration
 - bonuses 276
 - codes of conduct on 49–50, 130
 - commission payments 293
- Report into the FSA’s Enforcement Actions Following the Failure of HBOS* (Green Report, 2015) 334, 375, 382, 385
- reputational risk 49, 53, 192, 279, 299, 341–2
- responsibility *see* accountability
- responsible lending
 - disclosure regulation *see* disclosure regulation
- fiduciary duty for 230–31
 - see also* fiduciary duty of banks
- mis-selling *see* mis-selling
- social responsibility 74–6, 122

- see also* CSR (corporate social responsibility); ethical niche banking sector
 sub-prime lending in US 214
 responsive regulation 327–30
 retail banking
 ethical niche banking sector *see* ethical niche banking sector
 fiduciary duty to retail customers *see* fiduciary duty of banks, towards retail customers
 funds as investment vehicles for retail customers 241–3
 see also funds
 mis-selling to retail customers *see* mis-selling
 responsible lending *see* responsible lending
 retail customers, vulnerabilities of 224–9
 ring-fencing of 124
 retributive justice 19
 punishment of unethical bankers, public desire for 281–3
 see also justice theories
Review of Enforcement Decision Making at the Financial Services Regulators (HM Treasury, 2014) 381, 382, 383–5, 388
 Rhonheimer, Martin 58
 Rice, Dame Susan 152, 174
 risk management
 ‘box ticking’ concerns 151, 198, 287, 296–7
 regulatory capture 342, 387, 393
 reputational risk 49, 53, 192, 279, 299, 341–2
 risk awareness promotion 31–2, 51
 see also cultures of financial ethics
 ‘three lines of defence’ approach 287–8
 see also corporate governance
 Ross, David 57
 Rough, Robert 341–2, 346
 rule of law in finance 177
 challenges to
 corruption *see* corruption
 exchange controls 182
 flexible interpretations of laws 192
 inflation 179–80
 misconduct on markets *see* misconduct
 negative cultures *see* negative cultures
 pricing of money 180–81
 fiduciary duty of banks *see* fiduciary duty of banks
 financial regulation *see* financial regulation
 human rights law *see* human rights
 lawyers’ ethical duties *see* lawyers’ ethical duties
 restrictions of law, purpose of 182
 rule utilitarianism 10–11
 see also utilitarianism
 Russo, Costanza 369

 Salz Report: *Independent Review of Barclays’ Business Practices* (2013) 31, 49, 150, 280–81, 288, 289, 297
 sanctions *see* enforcement, penalties
 Sands, Philippe 68
 SARs (suspicious activity reports) 318–19
 see also AML (anti-money laundering) due diligence
 Sartre, Jean Paul 4
 Saunders, Thompson 190
 Schauer, Frederick 363, 364, 366
 School of Salamanca 67–8
 see also natural law theory
 Schwartz, Shalom H. 116, 126, 129
 self-deception/hubris/euphoria 60, 288, 289–90, 292, 294–5, 296
 see also negative cultures
 self-regulation
 codes of conduct *see* codes of conduct
 CSR *see* CSR (corporate social responsibility)
 microfinance institutions *see* ethical niche banking sector, self-regulation
 Sen, Amartya 70–71
 senior managers
 AML due diligence failures 287, 322–3, 326
 see also AML (anti-money laundering) due diligence
 Approved Persons Regime (FCA) 35, 123, 131–2, 283
 board incompetence 290–91
 ethical standards required of 43–4, 48–9, 62–3, 71–2, 285–6, 297
 Leadership Standard (CBI) 161, 166, 174

- see also *Chartered Banker Code of Professional Conduct* (CBI)
- non-banker appointments 150, 290–91, 300
- professional standards *see* professional standards in banking
- remuneration *see* remuneration
- SMR *see* Senior Managers Regime (FCA/PRA)
- Senior Managers Regime (FCA/PRA) 61, 121, 123, 215, 274–5, 301
- accountability under 35, 51, 277–8, 280
- cultural barriers to *see* negative cultures
- presumption of responsibility, removal of 334
- regulatory barriers to 295–7, 297–8
- responsibility ‘maps’ 285
- statements of responsibility 284
- application (‘senior management function’ concept) 283–4, 326
- background to 34–5, 131–2, 275–7
- Banking Standards Board support for 300
- Certification Regime 35, 45, 121, 123, 132, 215–16, 285
- FCA, application to own functions 371, 392
- rationale 278–9, 280–81
- public desire for retribution 281–3
- see also* FCA (Financial Conduct Authority); PRA (Prudential Regulation Authority); United Kingdom
- separation thesis 7–8
- Servon, Lisa 82, 90
- settlement of FCA enforcement action 380–81, 384–5
- see also* FCA enforcement action
- Seven Principles of Public Life* (Nolan Principles) 370, 390
- shadow banking sector 77
- Shafik, Minouche 195–6
- Sharpe, William 239
- short-term trading *see* market timing, as trading strategy
- SIFIs *see* G-SIBs (global systemically important banks)
- Simpson, Sally 328
- smart regulation 327–30
- Smith, Adam 22, 295
- SMR *see* Senior Managers Regime (FCA/PRA)
- social contract theory 4, 19, 110–11
- Social Entrepreneurship Funds Regulation (346/2013/EU) 89
- social justice 69–71, 113
- social licence for financial markets 106–8, 134–5
- ‘social licence’ concept 108–16
- written standards for *see* codes of conduct
- see also* CSR (corporate social responsibility)
- socially responsible lending 74–6, 122
- see also* CSR (corporate social responsibility); ethical niche banking sector; responsible lending
- Socrates 3
- soft law *see* codes of conduct
- Soto, Domingo de 67, 68
- sovereigns, ethical representation of 213
- conflicts of interest 211–12
- corruption problem 208–10
- disclosure 212–13
- identifying the client 204–5
- governments as agents of citizens 205–6
- future generations of citizens 206–7, 208
- repugnant regimes 207–8
- ‘sovereignty’ concept 203–4
- Spain
- CaixaBank 75, 89
- Indignados protests 69
- microfinance regulation 87, 88–9, 91–7
- see also* ethical niche banking sector
- Special Data Dissemination Standard (IMF) 356
- Standard Chartered 83
- standards *see* codes of conduct
- Statute of the European System of Central Banks and of the European Central Bank 354, 359, 364
- Steiner, Ilan 103–4, 105
- Stevenson, Lord Dennis 292
- see also* HBOS failure
- stock markets *see* equity markets
- Stoicism 14
- structural standards 124–5
- see also* codes of conduct
- sub-prime lending *see* responsible lending
- subsidiarity principle 59

- suspicious activity reports (SARs) 318–19
see also AML (anti-money laundering) due diligence
- Sutherland, Edwin 196
- swaps markets *see* derivatives markets
- systemically important banks *see* G-SIBs (global systemically important banks)
- Talley, Eric 103
- Tanzania, microfinance regulation 84
see also ethical niche banking sector
- TARP (Troubled Asset Relief Program) (US) 357, 366–7
- Tarullo, Daniel 48
- TCF (treating customers fairly) initiative (FCA) 131, 308–9
- telos* (purpose) of finance 8–9, 25–6, 55–6, 72, 297
see also financial ethics
- Thompson, Simon 152
- Thrasymachus 18
- Tibbetts, Stephen G. 328
- timing issues *see* late trading; market timing
- ‘too big to fail’ doctrine 60
see also G-SIBs (global systemically important banks)
- training on financial ethics 71, 316, 348
- transparency and trust relationship 390–92
see also trust in banking sector
- Transparency Code (IMF) 354, 355
- transparency of central banks *see* central banks, transparency and confidentiality mandates
- Treasury Select Committee (House of Commons, UK) 114, 334, 371, 382, 383, 387, 388
- treating customers fairly (TCF) initiative (FCA) 131, 308–9
- tribalism 288–9
see also negative cultures
- Triodos Bank 75
- Troubled Asset Relief Program (TARP) (US) 357, 366–7
- trust in banking sector 8, 24, 44, 110
 experts, loss of trust in 70
 ‘integrity’ concept 31, 46–7, 62, 71, 72, 298
Investor Trust Studies (CFA Institute/Edelman) 53–4
 investors’ trust in G-SIBs, survey findings 38
 need for 220, 275–6, 293, 299, 346–7
 reputational risk 49, 53, 192, 279, 299, 341–2
 restoring trust as challenge for market participants 197–8
 trust as test of fiduciary duty 223–4, 228–9
see also fiduciary duty of banks
 trust in regulators 314–15, 346–7, 351, 353–7, 380, 389–90
see also deterrence, credibility of trust and transparency relationship 390–92
- UK banks, public trust in 173, 215
see also financial ethics
- Tyrie, Andrew 34, 60–61
- UCITS (Undertakings for Collective Investment in Transferable Securities) regime (EU) 241, 246, 252, 267, 271
- UmweltBank 75
- UN Guiding Principles on Business and Human Rights* 120
see also human rights
- Undertakings for Collective Investment in Transferable Securities (UCITS) regime (EU) 241, 246, 252, 267, 271
- United Kingdom
 AML policies 26
 reporting requirements *see* AML (anti-money laundering) due diligence
 Bank of England *see* Bank of England
 Banking Standards Board 25, 52, 132–3, 154, 216, 300
 ‘Big Bang’ (1986) 118, 125, 276
 challenger banks 78
 codes of conduct
Chartered Banker Code of Professional Conduct (CBI) *see* *Chartered Banker Code of Professional Conduct* (CBI)
Lord George Principles for Good Business Conduct (Worshipful Company of International Bankers of the City of London) 127–8
 UK Money Markets Code (Bank of England) 62

- corporate governance 122
- financial ethics reforms 25–6, 60–62, 215–16
 - Banking Standards Review (Lambert, 2014) 25, 150, 151, 299–300
 - Fair and Effective Markets Review 46, 47, 132, 199, 216
 - see also* FICC (fixed income, currency and commodities) markets
 - FCA codes *see* FCA (Financial Conduct Authority)
 - Kay Review of UK Equity Markets and Long-Term Decision Making 217
 - PCBS report (2013) *see* *Changing Banking for Good* (UK PCBS, 2013)
 - PRA codes *see* PRA (Prudential Regulation Authority)
 - Senior Managers Regime *see* Senior Managers Regime (FCA/PRA)
- Financial Regulators Complaint Commissioner 389–90
- financial regulatory standards, ‘map’ of 118–19, 127, 128–9, 136–48
 - see also* social licence for financial markets
- funds
 - fund holdings in UK 242, 243–4
 - unit linked fund trading 252–3, 254, 258–9, 263
 - valuation and dealing timeframe for 246, 247
- House of Commons Treasury Select Committee 114, 334, 371, 382, 383, 387, 388
- misconduct
 - historic case 187–8
 - LIBOR scandal *see* LIBOR (London Interbank Offered Rate) rate-rigging scandal
 - market timing and late trading regulation 260–64, 267
 - PPI (payment protection insurance) mis-selling scandal 215, 305, 309, 312–13, 316
 - UK banks, estimated penalties 185–6
 - negative banking cultures *see* negative cultures, in UK banking
 - public trust in UK banks 173, 215
- United States
 - access to information law 352, 357, 358, 359–61, 365–6
 - bank corporate governance 37, 38, 103
 - benefit corporations 74, 103
 - financial exclusion in 82
 - funds
 - fund holdings of US households 241–2
 - mutual fund scandal (2003) 249, 250, 251, 259, 265
 - see also* late trading; market timing
 - valuation and dealing timeframe for 246, 247
 - variable subaccount trading 252–3, 254
 - Global Financial Crisis (2007-9)
 - practices contributing to 181, 214
 - regulatory reforms after 194, 357, 366–7
 - Government Accountability Office audits 357, 366–7
 - historical market abuse in 186–7, 189–90
 - Model Rules of Professional Conduct* (ABA, 2017) 206, 210, 211
 - money resources 177
 - New York Stock Exchange 187
 - Occupy Wall Street protests 69
 - swaps market regulation
 - concerns about 194
 - disclosure rules 30
 - TARP (Troubled Asset Relief Program) (US) 357, 366–7
- Universal Declaration of Human Rights 1948 68
- utilitarianism 4, 9–10, 21
 - analytical method 12
 - criticisms of 12–13
 - forms of 10–11
 - insider trading, utilitarian analysis 11
- values, Schwartzian 116, 126, 129
- Venezuela, government bond sale initiative 208
- virtue ethics 21–2, 55–6
 - altruism 219–21

- see also* fiduciary duty of banks,
‘fiduciary duty’ concept
- benevolence 116, 126
- common good 58–9
- criticism of 24
- eudaimonia* (happiness) 3, 23, 56
- pleonexia* (greed) 57, 60, 116, 288
 - see also* negative cultures
- prudence 62–4
 - see also* prudential regulation
- virtues in general 22–3, 56, 57–8, 294
 - see also* Aristotle
- Vitoria, Francisco de 67, 68
- vulnerabilities of retail customers 224–9
 - see also* fiduciary duty of banks, towards
retail customers
- warning notices (FCA) 379–80
 - see also* FCA enforcement action
- Washington, George 186
- Wells Fargo 289, 290
- Welteke, Ernst 342
- Wheatley, Martin 281, 387–8
- whistleblowing 52, 294, 349–50
 - see also* cultures of financial ethics
- Wolf of Wall Street* (Paramount Pictures, 2013) 116
- Wood, Philip 30
- Yeung, Karen 311
- Zimbardo, Philip G. 196
- Zimmerman, Samuel L. 360–61

