Ethics, Professional standards & Compliance

ECTS : 3

Description du contenu de l'enseignement :

Course objectives Conducting business in the financial sector means conducting business with highest standards of ethics and in accordance with the laws and regulations of the countries where the business is done. The course's objectives are · to understand the importance of ethics and professional standards when conducting business in the financial sector; · to get a basic knowledge of the regulation and laws; · to understand the main compliance concepts applied in Corporate & Investment Banks **Part 1. Ethical and Professional Standards**This part offers a pragmatic approach of ethics in finance, pointing out some of the recent issues that emerged since the financial crisis. The course takes as a starting point some of the recent codes of conduct issued by the finance industry as well as CFA Institute® Code of Ethics and Standards of Professional Conduct; it then turns to concrete issues such as rate-rigging, toxic assets or liabilities, product structuring, investor protection, as well as some of the recent regulation. Topics are covered through presentations in class, student presentations, exercises and case studies. Student presentations are delivered individually, in class, under a pre-set format, and are part of the participation grade. As a prerequisite, students must be familiar with CFA Institute® Code of Ethics and have prepared an example of a standard violation and corrective action for the first class. **Part 2. Global Compliance** Main objectives are giving students a global overview on the main Compliance concepts applied in a Corporate & Investment Bank and emphasizing the latest trends in regulatory environment. Theoretical courses and practical examples will be exposed to students on the main Compliance and Financial Security themes met in a Corporate & Investment Bank. · Compliance: privileged information, information barriers, conflicts of interests, market abuse and insider trading, suitability, reputation risk, etc... · Financial Security: KYC, KYB, and implementation of the European 3rd Directive embargos, countries on watch lists, combating money laundering, fraud prevention. **Course outline Introduction Course: Regulation today - for a better understanding of Ethics and Compliance (3h)** · Evolution of regulation and where we are now · Linkage between the directives · Comparison EU/rest of the world **Part 1. Ethical and Professional StandardsSession 1-Course Introduction: (1h)** Why do ethics matter? How to prepare a presentation, a case study, an exercise? Exercise on Standard violations: (Using CFA Institute® Code of Ethics and Standards of Professional Conduct) Debrief on the example prepared by each student for and before Class 1. **Session 2- What do Codes of ethics and Codes of conducts tell us? (2h)** Compare 2 different codes: what is the focus? How well do they protect clients? other stakeholders? Identify what codes teach us about business ethics, operational risks, reputation risk. **Session 3- FX rate-rigging & other benchmarks (2h)** The FX rate-rigging scandal – FX markets Codes of conduct. Importance of trust in benchmarks. **Session 4- Libor rate-rigging & other benchmarks (2h)** The Libor manipulation scandal–Libor administration before/after the scandal. Regulation on benchmarks and indices. **Session 5- Toxic assets and liabilities (2h)** Navigating through toxic assets and liabilities – examples of debt issued by local authorities, structured loans, st

Mode de contrôle des connaissances :

Participation and Final exam

Bibliographie, lectures recommandées :

Lewis M. , The Big Short, 2011. Flash Boys, 2014 O' Malley C. : The story of the Eurobond Markets (ch. 10-11), 2015 CFA Institute® Code of Ethics and Standards of Professional Conduct CFA Institute® Standards of Practice Handbook, 2014 edition