

Changes in Financial Regulation

Speech to the Guernsey Financial Services Commission

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Problems in 2008

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 - Impact of compensation schemes
 - **Lack of international regulatory co-operation**

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 - Scale of leverage not understood
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 - Impact of compensation schemes
 - Lack of international regulatory co-operation
 - **No mechanism to allow a bank to fail**

Response to Prudential problems

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- **Recovery and Resolution work to reduce impact of bank failure**

Problems in 2008

- **Conduct**
 - **Treatment of retail customers was improper or inadequate**

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 - Treatment of retail customers was improper or inadequate
 - **Questionable integrity on the wholesale side (leading to e.g. LIBOR scandal)**

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 - **action against firms (fines/compensation)**

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 - **new focus on conduct issues (via FCA/CFPB)**

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 - **FCA redefining what it expects of firms**

Some implications for those here today

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- Guernsey's role as a non-home regulator
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- Fair treatment of customers
- **Pressure to improve international regulatory co-ordination**