## FINANCIAL MARKETS AT RISK

# The Threat to the Stability and Integrity of the Economic Order and the Good Governance of the Financial Markets

The annual International Symposium on Economic Crime, which is now in its eighteenth year, is a unique event. It brings together, in a medieval College of the University of Cambridge, officials, diplomats, regulators, law enforcement personnel, professional advisers, intermediaries, bankers and academics from around the world to focus upon the issues relating to the prevention and control of activity which undermines economic and therefore political stability and integrity. In recent years it has attracted well over 850 participants from over 80 different countries every year.

This year's programme concentrates on the risks, presented by criminal and abusive conduct, to the good governance, stability, integrity and efficiency of the world's capital markets and financial services industry. A galaxy of internationally renowned experts will address, in a series of intensive presentations and workshops, a host of issues of very real and practical significance to those who operate in the financial markets, or who have any responsibility for maintaining confidence in their integrity and efficiency. The topics that have been selected, with the advice of a number of government agencies, range from the prevention and control of abuses, such as insider dealing, market manipulation and money laundering, to the vulnerability of the new electronic markets. Emphasis will be placed, as in previous years, on not only identifying and assessing risks, but on addressing the issues of prevention, control and enforcement. The plight of those working in the financial sector when confronted with the costs and risks of compliance and enforcement will be given a high priority. It is only by confronting the issues from a multidisciplinary and international perspective that the values that we all seek to maintain can be protected.

The Symposium provides, in the main programme and extensive series of workshops, a unique blend of formal presentation, structured analysis and discussion, which is complemented by considerable networking opportunities. With this structure, it is able to address the many and varied issues relating to these complex topics, in a manner which offers real and practical assistance to those who have to look after other peoples' money, or advise and protect those who do. The support that the organising institutions have received over the last eighteen years, from around the world, is a testament to the relevance and significance of the Symposium.

The Symposium is not just another conference. It is organised by some of the world's leading academic and research institutions, with the active involvement and encouragement of governmental and inter-governmental agencies. It is run on a non-profit making basis and is not a commercial enterprise. The annual Symposium was conceived and has been run, for the purpose of promoting and facilitating mutual understanding of the issues facing those responsible for protecting our economies against abuse and economic crime. It is only upon such understanding and respect that meaningful co-operation can take place. Those who are concerned to protect and promote the integrity and good governance of their enterprise, institution or economy cannot afford to miss this opportunity!

# The Organising Institutions

The Centre for International Documentation on Organised & Economic Crime The Institute of Advanced Legal Studies, University of London The Society for Advanced Legal Studies The British Institute of International and Comparative Law City University Business School, London Centre for European and International Financial Law, The University of Siena, Italy

The Australian Institute of Criminology

The Centre for Strategic and Global Studies, Russian Academy of Sciences The Nathanson Center for the Study of Organised Crime and Corruption, York University, Canada

The Computer Security Research Centre, London School of Economics and Political Science, University of London The British Institute of Securities Laws

The Paolo Baffi Centre for Monetary and Financial Economics, Università Commerciale Luigi Bocconi, Milan The Dickinson School of Law, Pennsylvania State University, USA

The Stockholm School of Economics, Sweden

Keio University, Japan

Department of Business Law and Taxation, Monash University, Australia University of the Orange Free State, Republic of South Africa Centre for International Financial Crimes Studies, University of Florida, USA

Hungarian Academy of Sciences

Institute of Latin American Studies, School of Advanced Study, University of London Institute for Legal Studies, Bulgarian Academy of Sciences The Foundation for Information Policy Research Computer Security Group, University of Cambridge Yeditepe University, Turkey

In association with: Jesus College, University of Cambridge

# Sunday, September 10th, 2000

10:00am -

**4:00pm** Registration in the Marquee, Jesus College

**5:30pm** Opening Ceremony, Jesus College

#### Addresses by The Symposium Chairman and The Symposium Director

- Mr. Saul Froomkin QC, The Symposium Chairman and Chairman of CIDOEC. Senior Litigation Partner: Mello Hollis Jones & Martin (Bermuda). Former Attorney General, Bermuda, and Director of Criminal Law, Federal Government of Canada
- **Professor Barry Rider,** The Director, Institute of Advanced Legal Studies, University of London. The Symposium Director, Executive Director of CIDOEC, Fellow of Jesus College, Cambridge and Barrister

# Addresses by Representatives of the Organising Institutions

- Mr. William Tupman, Senior Lecturer, Department of Politics, University of Exeter and Intercentre, University of Messina, former Director of the Centre for Police and Criminal Justice Studies, University of Exeter
- **Professor Fletcher Baldwin,** S.T. Dell Research Scholar and Professor of Law, The Director, The Centre for International Financial Crimes Studies, University of Florida, USA
- **Professor Johan Henning,** The Director of the Centre for Corporate Law and Practice, The Institute of Advanced Legal Studies and The Dean of the Faculty of Law, The University of the Orange Free State, Republic of South Africa
- **Dr. James Backhouse,** The Director, Computer Security Research Centre and Reader, London School of Economics and Political Science, University of London
- **Dr. Mads Andenas,** The Director, The British Institute of International Comparative Law, London, and former Director General (Legal) of the Royal Ministry of Finance, Government of Norway and Special Counsel to the EBRD
- **Dr. Chizu Nakajima,** The Director, Centre for Financial Regulation, City University Business School, London
- **Professor Leonid Fituni,** The Director, Centre for Strategic and Global Studies, Russian Academy of Sciences, Moscow
- **Dr. George Gilligan,** Logan Research Fellow, Department of Business Law and Taxation, Monash University, Australia

6:45pm Cocktails in the Marquee, generously hosted by Banco Santander Central Hispano, New York Branch

7:45pm Dinner in Hall and Upper Hall, generously hosted by *The Taipei Representative Office in the UK* 

Addresses by **Professor Niklaus Blattner**, Chief Executive Officer, The Swiss Bankers' Association, Basel, **Mr. Kuang-yu Wang**, Director General, Ministry of Justice Investigation Bureau, Taiwan and **Mr. Louis Tzen**, The Representative, Taipei Representative Office in the UK; introduced by **Ms. Tracy Paradise**, The Symposium Manager and The Secretary to the Society for Advanced Legal Studies, with a vote of thanks by **Mr. Saul Froomkin QC**, The Symposium Chairman

# Monday, September 11th, 2000

## 08:30 Opening Keynote Addresses

Chair: Mr. Saul Froomkin QC, The Symposium Chairman

- Mr. José Maria Roldan, The President, The Financial Action Task Force against Money Laundering XII and Director of regulation of Financial Institutions, Bank of Spain
- Mrs. Rosalind Wright, The Director, Serious Fraud Office, London and former General Counsel of the Securities and Futures Association
- Mr. Raymond Kendall QPM, The Secretary General, Interpol

#### **10:00** Coffee

- Mr. Howard Flight MP, The Shadow Economic Secretary to the Treasury
- Dr. William Witherell, Director, Financial, Fiscal and Enterprise Affairs, OECD
- **Professor Guido Ferrarini,** Special Adviser to the CONSOB and Professor of Law, University of Genoa and University College, London
- The Hon Dr. Hugo Anzorreguy, Senior Partner, Anzorreguy, Ruiz & Asociados and former Secretary of State for Intelligence, Argentine Government
- 12:00 Group Photograph, Jesus College
- 12:45 Lunch in Hall and Upper Hall, Jesus College
- 14:15 Session I: The Governance of Financial Markets and the Financial Services Industry

Chair: The Rt. Hon. The Lord Hacking, Littleton Chambers, London

- Mr. William Blair QC, 3 Verulam Buildings, Gray's Inn, London
- **Professor Geoffrey Underhill**, Professor of International Governance, and Chair of the Research Centre on International Political Economy, University of Amsterdam
- **Professor Jon Mills,** The Dean and The Director of the Centre for Governance, College of Law, University of Florida and former Speaker of the Florida State Legislature
- **Dr. Mads Andenas**, The Director, British Institute of International and Comparative Law, London and former Director General (Legal) of the Royal ministry of Finance, Government of Norway and Special Counsel to the EBRD
- Professor Tom Hurst, Professor of Securities Law, College of Law, University of Florida

## 15:45 Tea

#### 16:15 Session II: Economic Crime in the Financial Markets - The Threat to Confidence

Chair: Professor Barry A. K. Rider, Symposium Director

- Mr. Masaharu Hino, The Commissioner, Financial Services Agency, Japan
- **Professor Ernesto Savona**, Professor of Criminology and Director of TRANSCRIME, Research Group on Transnational Crime, School of Law, University of Trento, Italy
- Ms. Patricia Howse, Head of Statutory Investigations, Enforcement Division, The Financial Services Authority, UK
- Mr. Nicholas Proto, Assistant Vice President and Chief Financial Investigator, Federal Reserve Bank of New York
- **Dr. Ye Feng**, Director, Foreign Affairs Bureau, Supreme People's Procuratorate of the People's Republic of China
- 18:45 Cocktails in the Marquee, generously hosted by *DLA*
- 19:45 Dinner in Hall and Upper Hall, Jesus College, generously hosted by *The Society for Advanced Legal Studies*

Addresses by *The Honourable Justice Michael Kirby AC CMG*, High Court of Australia Rapporteur, UN Committee of Chief Justices on strengthening Judicial Integrity (UNODCCP) and *Ms. Melanie Johnson MP*, The Economic Secretary to Her Majesty's Treasury; introduced by *Dr. George Gilligan*, Logan Research Fellow, Department of Business Law and Taxation, Monash University, Australia with a vote of thanks by *Professor Louis de Koker*, The Director for the Centre for the Study of Economic Crime, Rand Afrikaans University, Republic of South Africa

# Tuesday, September 12th, 2000

# 08:45 Keynote Address: The Global Markets - A View from the International Monetary Fund

Mr. William Holder, Deputy General Counsel, International Monetary Fund

Introduced by *Dr. Chizu Nakajima*, *The Director, Centre for Financial Regulation, City University Business School, London* 

# 09:30 Session III: The Global Financial Markets of Today and Tomorrow

Chair: Professor Donald Langevoort, Professor of Law, Georgetown University Law Center, USA

- Mr. Paul Donovan, Deputy Head of Global Economics, UBS Warburg
- Mr. John Moscow, Assistant District Attorney, County of New York District Attorney's Office
- **Professor Peter Nolan,** Sinyi Professor of Chinese Management, The Judge Institute of Management Studies, University of Cambridge
- Mr. Saverio Mirarchi, The Chief Compliance Officer, Bank of New York
- **Dr. George Gilligan**, Logan Research Fellow, Department of Business Law and Taxation, Monash University, Australia
- **Professor Yutaka Tajima**, The Institute for Advanced Studies of Business Law, Tsukuba University, Japan

# 11:00 Coffee

# 11:20 Session IV: The Interdependence of the Financial System and the Implications for Honest and Efficient Markets

Chair: Mr. Paolo Clarotti, Banca Popolare di Novara, Brussels and former Director General, DG XV, European Commission

- Mr. Jonathan Winer, Counsel, Financial Services Group, Alston & Bird LLP, Washington DC and former Deputy Assistant Secretary of State, International Narcotics and Law Enforcement, US Department of State
- Mr. John Reading S.C., Senior Counsel, Deputy Director of Public Prosecutions, Hong Kong Department of Justice
- Mr. Victor Odozi, Managing Consultant, Teredoz Consulting, Lagos and former Governor of the Central Bank of Nigeria
- Mr. J. Imbert, General Counsel, Global Anti-Money Laundering Compliance, Citigroup

# 12:30 Lunch in Hall and Upper Hall, Jesus College

## 14:00 Session V: Electronic Markets - The Risks and the Rewards

Chair: **Sir Kenneth Warren**, The Chairman of the Computer Security Advisory Board, London School of Economics, and former Chairman of the House of Commons Select Committee on Trade and Industry

- Mr. Tomàs Carruthers, The Chief Executive, Interactive Investor Ltd.
- Mr. Alf Esteban, Manager, Financial Markets Global Strategy, IBM Financial Services
- Mr. G. Philip Rutledge, Deputy Chief Counsel, Pennsylvania Securities Commission, USA

- Mr. Satoshi Takenaka, Deputy Chief Representative, Tokyo Stock Exchange, London Representative Office
- Dr. Joanna Benjamin, Clifford Chance (Solicitors), formerly of the Financial Law Panel

15:15 Tea

#### 15:30 - 18:45 Workshop Programme: More detailed summaries can be found at the end of this programme

# **SPECIAL WORKSHOP I - 15:30-17:00**

The Enforcement Powers and Policies of The Financial Services Authority Presented by

Mr. Peter Bibby, Head of Regulatory Enforcement, The Financial Services Authority of the UK

# **CORPORATE WORKSHOP I - 17:15-18:45**

# Risk Management Presented by

Mr. Andrew Witts, Partner, DLA (Solicitors), London Mr. Joanthan Speed, Partner, DLA (Solicitors), London

Scheme and former Senior Assistant Director, The Serious Fraud Office, UK

15:30 - 17:00	17:15 - 18:45
WORKSHOP 1	WORKSHOP 6
<u>workshol 1</u>	WORKSHOT U
Electronic Markets: The New Frontier	On-line Securities Frauds
Mr. G. Philip Rutledge, Deputy Chief Counsel, Pennsylvania Securities  Commission	<b>Dr. Russell Smith</b> , Senior Research Analyst, Australian Institute of Criminology
Mr. Jason Haines, Research Officer in Corporate and Financial Services  Law, Institute of Advanced Legal Studies, University of London  Ms. Emiko Saito, Centre for Financial Regulation, City University Business  School	<b>Dr. Peter Grabosky</b> , Director of Research, Australian Institute of Criminology
WORKSHOP 2	WORKSHOP 7
The New and Transitional Financial Markets in Central and Eastern Europe	Money Laundering in Central and Eastern Europe
2	Mr. William Tupman, Senior Lecturer, Department of Politics, University of
Mrs. Svetla Konstantinova, Barrister and Legal Consultant and former Legal	Exeter
Attaché, Bulgarian Embassy, London	Mr. Rowan Bosworth-Davies, Unysis
Mr. Valeri Dimitrov, Legal Advisor to the Board of Directors of the	<b>Dr. Frédérique Dahan,</b> Lecturer in Eastern European Law, University of
Bulgarian National Bank  Mr. Georgi Spassov, Managing Partner, Spassov & Bratanov	Essex  Mr. Klaudija Studija Divestov Office for Money Laundering Presention
Mr. Georgi Spassov, Managing Pariner, Spassov & Bratanov  Ms. Anna Markovskaya, Centre for Financial Regulation, City University	Mr. Klaudijo Stroligo, Director, Office for Money Laundering Prevention, Ministry of Finance, Republic of Slovenia
Business School	Ministry of Finance, Republic of Slovenia
WORKSHOP 3	WORKSHOP 8
Insider Crimes	Protecting the Private Investor
Mr. Robert Hockett, Consultant to the International Monetary Fund Dr. Andrew Haynes, Head of the Institute of Finance, University of Wolverhampton Mr. Richard Alexander, Rowe and Maw Research Officer in European	<b>Professor Michael Clarke,</b> Department of Sociology, Social Policy and Social Work Studies, University of Liverpool <b>Mr. Lawrence Boyce,</b> Director, Investment Dealers Association of Canada
Financial Law, Institute of Advanced Legal Studies, University of London	
WORKSHOP 4	WORKSHOP 9
New Financial Instruments in the 21st Century	Derivatives and Options Trading
Mr. Robert Barnes, Director, Equities, UBS Warburg	Dr. Edward Swan, Partner, Simmons and Simmons (Solicitors), London
WORKSHOP 5	WORKSHOP 10
The Role of Accounting Standards in Maintaining Financial Integrity	The Media and the Manipulation of Markets
Mr. Martyn J. Bridges, Deloitte & Touche	Mr. Michael Ricks, Journalist and Financial Investigator
Mr. Alistair Munro, Deloitte & Touche	Mr. Chris Blackhurst, Deputy Editor, Express Newspapers
min minio, Belone & Touche	
Mr. John Moscow, Assistant District Attorney, District Attorney's Office,	Mr. Larry Gurwin, Control Risks Group Limited, Washington D.C.
Mr. John Moscow, Assistant District Attorney, District Attorney's Office, County of New York	
Mr. John Moscow, Assistant District Attorney, District Attorney's Office,	Mr. Larry Gurwin, Control Risks Group Limited, Washington D.C.

# 18:45 Cocktails in the Marquee, generously hosted by *D J Freeman*

# 19:45 Dinner in Hall and Upper Hall, generously hosted by *UBS Warburg*

Addresses by H.E. Mr. Tarald Osnes Brautaset, Ambassador for Norway to the Court of St. James and Sir Kenneth Warren, The Chairman of the Computer Security Advisory Board, London School of Economics, and former Chairman of the House of Commons Select Committee on Trade and Industry; introduced by Dr. Mads Andenas, The Director, British Institute of International and Comparative Law, London and former Director General (Legal) of the Royal ministry of Finance, Government of Norway and Special Counsel to the EBRD, with a vote of thanks by Dr. Chizu Nakajima, The Director, Centre for Financial regulation, City University Business School, London

# Wednesday, September 13th, 2000

# 08:45 Keynote Addresses: The Integrity of Financial Markets

Mr. Juan de Zuñiga, General Counsel of the Central Bank of the Republic of the Philippines

Mr. Peter Djinis, Executive Director for Regulatory Policy, FinCEN, US Treasury Department

Introduced by Mr. Saul Froomkin QC, The Symposium Chairman

# 09:30 Session VI: Organised Crime and Money Laundering - The Threat to the Markets

Chair: Sir Ivan Lawrence QC, One of Her Majesty's Recorders, and Former Chairman, Home Affairs Committee, House of Commons

- Dr. Cécile Ringgenberg, Ringgenberg & Schulthess, Geneva
- **Professor Leonid Fituni**, The Director, Centre for Global and Strategic Studies, Russian Academy of Sciences, Moscow
- The Honourable Mr. Justice Hendrick C. Nel, The Chairman, The Nel Commission of Inquiry into Investor Protection, Republic of South Africa
- Mr. Victor Lo, Detective Chief Superintendent, and Head of The Commercial Crime Bureau, Hong Kong Police Force
- Ms. Lorna Harris, Head, Mutual Legal Assistance, The UK Central Authority, Home Office Organised and International Crime Directorate
- Mr. Charles Saphos, of Counsel, Hall Booth Smith & Slover, PC, Atlanta and former General Counsel, Interpol, USA
- Mr. Mario Baizàn, Deputy Director, Instituto de Investigación Sobre Seguridad Y Crimen Organizado, Universidad Católica de Salta, Buenos Aires and former Adviser to the President's Office, Republic of Argentina

#### 11:00 Coffee

# 11:15 Session VII: Economic and Financial Crime - Trends and New Threats

Chair: Mr. Perry Nove QPM, The Commissioner, The City of London Police

- Mr. Tan Siong Thye, The Director, Commercial Affairs Department, Singapore
- **Professor Michael Levi**, Professor of Criminology, White-Collar and Organised Crime Unit, School of Social and Administrative Studies, Cardiff University
- **Professor Fletcher Baldwin**, S.T. Dell Research Scholar and Professor of Law, and The Director, Center for International Financial Crimes Studies, University of Florida
- **Professor Louis de Koker**, The Director, Centre for the Study of Economic Crime, Faculty of Law, Rand Afrikaans University, Republic of South Africa
- Mr. Rowan Bosworth-Davies, Unysis

#### 12:45 Lunch in Hall and Upper Hall

# 14:00 Session VIII: Abuse versus Speculation - Getting the Regulatory Balance Right!

Chair: Dr. Chizu Nakajima, The Director, Centre for Financial Regulation, City University Business School

- Ms. Jane Wexton, The Chief Compliance Officer, Global Consumer Finance, General Electric Capital Corporation
- Mr. Christopher Hugh-Jones, Vice President, Legal and Compliance Department, Credit Suisse First Boston
- Mr. Charles Freeland, Deputy Secretary General, Bank for International Settlements, Basle
- Mr. Francis Lee Chun-Sang, Director of Investigations (Private Sector), Independent Commission against Corruption (ICAC), Hong Kong
- **Professor Donato Masciandaro**, Member of the Board, The Paolo Baffi Centre for Monetary and Financial Economics, Università Commerciale Luigi Bocconi, Milan
- Mr Wilmer Parker III, Head, Criminal Defence and Special Matters Group, Kilpatrick Stockton LLP, Attorneys at Law, Atlanta. Former Assistant US Attorney, US Department of Justice and Chief, Drug Division, Organised Crime Drug Enforcement Task Force (SE Region)

## 15:15 Tea

# 15:30 - 18:45 Workshop Programme: More detailed summaries can be found at the end of this programme

# SPECIAL WORKSHOP II - 15:30-17:00

# Financial Institutions and Money Laundering

Chairman: Mr. Ian Comisky, Blank Rome Comisky & McCauley LLP, Philadelphia Mr. Plato Cacheris, Law Offices of Plato Cacheris, Washington D.C. Mr. Harvey Silets, Katten Muchin & Zavis, Chicago

Mr. Peter Djinis, Executive Director for Regulatory Policy, FinCEN, US Treasury Department, Washington D.C. The Hon. Ms. Paula Junghans, Assistant Attorney General, Tax Division, US Justice Department, Washington D.C.

## **CORPORATE WORKSHOP II - 17:15 - 18:45**

Recoveries in Securities Frauds
Presented by
Ms. Sonya Leydecker, Partner, Herbert Smith (Solicitors), London
Mr. Peter Burrell, Herbert Smith (Solicitors), London

15·30 - 17·00 17·15 - 18·45

15:30 - 17:00	17:15 - 18:45
WORKSHOP 11	WORKSHOP 16
Economic Organised Crime	Cyber-Organised Crime and Terrorism
Mr. William Tupman, Senior Lecturer, Department of Politics, University of Exeter	Mr. G. Montgomery Rankin, Attorney at Law, Florida and Associate Senior Research Fellow, Institute of Advanced Legal Studies, University of London
<b>Dr. George Gilligan,</b> Logan Research Fellow, Department of Business Law	<b>Professor Fletcher Baldwin</b> , S.T. Dell Research Scholar and Professor of
and Taxation, Monash University, Australia	Law, and Director, Center for International Financial Crimes Studies,
Mr. James Sheptycki, University of Durham	University of Florida
WORKSHOP 12	WORKSHOP 17
The COMELY (Control of Money Laundering in the Electronic Years) Project	Criminal Aspects of White Collar Crime
	<b>Professor Ernesto Savona,</b> Professor of Criminology and Director of
The Computer Security Research Centre, The London School of	TRANSCRIME, School of Law, University of Trento, Italy
Economics and Political Science	The Hon. Justice Johan Vlogaert, Expert, General Secretariat, Council of
	the European Union Directorate General H III: Justice and Home Affairs and Judge, Brussels Court of Appeal
WORKSHOP 13	WORKSHOP 18
The Dematerialisation of Securities	Combating Financial Crime in a Developing Country
<b>Mr. Colin Bamford,</b> The Chief Executive, Financial Law Panel, UK <b>Professor Dr. Dorothee Einsele,</b> Christian Albrechts Universität zu Kiel, Germany	<b>Professor Louis de Koker,</b> The Director, The Centre for the Study of Economic Crime, Rand Afrikaans University, Republic of South Africa

#### **WORKSHOP 14**

The Control and Prevention of Financial Crime in Latin America

Mr. Marcelo Ruiz, Anzorreguy, Ruiz & Asociados, Buenos Aires and former Political Counsellor, Argentine Embassy, London

Mr. Jaime Ospina-Velasco, Ospina, Oviedo & Asociados, Santafé de Bogotá, Colombia

Mr. Ricardo Alba, President, Agrica/Lex, Panama

Mr. George Henry Millard, Assistant Director, Secretariat of Public Security, Civil Police, Sao Paolo, Brazil

Mr. Erasmo Lara-Cabrera, Researcher, Institute of Advanced Legal Studies, University of London, and former Legal Counsel, Mexican Embassy, London

#### **WORKSHOP 19**

Lawyers and Legal Privilege - Striking the Right Balance

**Mr. Andrew Campbell,** Department of Law, University of Wales at Aberystwyth

Dr. Nancy Baldwin, Attorney at Law, Florida, USA
Dr. Helen Xanthaki, Deputy Director, Centre for Legislative Drafting,
Institute of Advanced Legal Studies, University of London

#### **WORKSHOP 15**

Compliance and Enforcement Effectiveness: T11-Methodology, method of reasoned truth and compliance chain analysis

**Dr. Dick Ruimschotel**, Director, Compliance Methodology Consultants (CMC)/T11 Company (Amsterdam/London)

Hans Schonfeld, Director of ICT and Knowledge Management of the Amsterdam Police & Technical Support Ventana (UK) Limited

#### **WORKSHOP 20**

Compliance with Money Laundering Investigations

**Dr. Evan Bell,** Restraint and Confiscation Section, Department of Public Prosecutions for Northern Ireland

Mr. Alan Lambert, former Head, Financial Investigation Unit, Hertfordshire Constabulary

18:45 Cocktails in the Marquee generously hosted by *Citigroup* 

19:45 Informal Evening of Cultural Entertainment generously hosted by *Thomas Cook Holdings* 

**21:00** *Trinity Plus!* Live music in Hall, Jesus College

# Thursday, September 14th, 2000

08:45 Keynote Address: Protecting Confidence in the Financial Markets

**The Hon. Justice Johan Vlogaert,** Expert, General Secretariat, Council of the European Union Directorate General H III: Justice and Home Affairs and Judge, Brussels Court of Appeal

Introduced by *Dr. Simone White*, Research Fellow in European Economic Crime Control, Institute of Advanced Legal Studies, University of London

09:30 Session IX: Preventing and Controlling Insider Dealing and Market Abuse

Chair: Professor Barry A. K. Rider, The Symposium Director

- Mr. David Strachan, Head, Market Conduct and Infrastructure, The Financial Services Authority, UK
- Mr. Thomas Newkirk, Associate Director, Enforcement Division, US Securities and Exchange Commission
- Ms. Lucy Hutchinson, Partner, Herbert Smith (Solicitors), London
- Professor Donald Langevoort, Professor of Law, Georgetown University Law Center, USA
- Mr. Michael Ashe QC, Head of Chambers, 9 Stone Buildings, Lincoln's Inn, London
- Professor Angela Itzikowitz, Professor of Law, University of Witswatersrand, Republic of South Africa

# 11:00 Coffee

## 11:20 Session X: Preventing and Controlling the Manipulation of Financial Markets

Chair: Mr. Robert Rhodes QC, Head of Chambers, Four King's Bench Walk, Inner Temple, London

- **Dr. Bruce Butcher**, former General Counsel, Special Projects, Australian Securities and Investment Commission
- Dr. Marvin Pickholz, Hoffman, Pollok & Pickholz LLP, New York
- Mr. Jean-Pierre Michau, Counsellor to the Governor, Banque de France
- Professor Eva Lomnicka, Professor of Law, King's College, University of London

- Mr. George A. C. Mills, Serious Fraud Office, UK
- Mr. Wayne J. Carroll, PriceWaterhouse Coopers Veltins Rechtsanwaltsgesellschaft mbH, Germany

# **12:30** Lunch in Hall and Upper Hall

# 14:00 Session XI: The Control and Management of Conflicts of Interest in the Financial Sector

Chair: Mr. Phil Rutledge, Deputy Chief Counsel, Pennsylvania Securities Commission, USA

- Dr. Thomas Lindemann, Partner, Lovells Boesebeck Droste, Berlin
- Dr. George Barboutis, Shearman Sterling (Solicitors), London
- **Dr. Chizu Nakajima**, The Director, Centre for Financial Regulation, City University Business School, London
- Mr. Henry Rossbacher, Senior Partner, Rossbacher and Associates, Los Angeles
- Mr. Richard Collins, Global Head of Compliance, Rabobank International

#### 15:15 Tea

## 15:30 - 18:45 Workshop Programme: More detailed summaries can be found at the end of this programme

# SPECIAL WORKSHOP III - 15:30 - 17:00

#### FINANCIAL RISK AND HUMAN RIGHTS

Chairman: The Rt Hon Lord Justice Brooke, Court of Appeal of England and Wales

Mr. Alexander Carter-Silk, D. J. Freeman (Solicitors), London Mr. Laurence Cockcroft, Transparency International, UK Chapter

Dr. Denis Osborne, Associate Senior Research Fellow, Institute of Advanced Legal Studies, University of London

# CORPORATE WORKSHOP III - 15:30-17:00

Regulatory Compliance and the Impact of the New UK Financial Services Regime Presented by

Mr. Richard Stones, Partner, Lovells (Solicitors), London

# **CORPORATE WORKSHOP IV - 17:15 - 18:45**

Fighting Back - Gathering the Evidence to Defeat the Fraudster Presented by

Mr. Anthony Marks, Partner, CMS Cameron McKenna (Solicitors), London Mr. Duncan Aldred, Partner, CMS Cameron McKenna (Solicitors), London

WORKSHOP 26

15:30 - 17:00 17:15 - 18:45

WORKSHOP 21

WORKSHOT 21	WORKSHOT 20
Civil Enforcement Proceedings	Securities Frauds and Boiler-Room Operations
Mr. T. Michael Ashe QC, Head of Chambers, 9 Stone Buildings, Lincoln's Inn, London Mr. G. Philip Rutledge, Deputy Chief Counsel, Pennsylvania Securities Commission	Mr. Lawrence Boyce, Director, Investment Dealers Association of Canada
WORKSHOP 22	WORKSHOP 27
Financial Markets in the Southern African Development Community: The Harmonisation and Approximation of Commercial Laws	The US Foreign Narcotics Kingpin Designation Act and its Impact on Financial Intermediaries
<b>Professor Johan Henning,</b> The Director of the Centre for Corporate Law and Practice, The Institute of Advanced Legal Studies and The Dean of the	<b>Mr. Kern Alexander,</b> Judge Institute of Management Studies, University of Cambridge
Faculty of Law, The University of the Orange Free State, Republic of South	Ms. Serena Moe, Member, Citigroup Bank Regulatory Office and former
Africa	Deputy Chief Counsel, Treasury Department Office of Foreign Assets
Ms. Sandra du Toit, Research Unit for Economic Crime of the Centre for	Control, US Government
Business Law, The University of the Orange Free State, Republic of South	Professor Fletcher Baldwin, Professor of Law, and Director, Center for
Africa	International Financial Crimes Studies, University of Florida

#### **WORKSHOP 23**

## The Costs and Risks of Compliance

**Dr. George Gilligan,** Logan Research Fellow, Department of Business Law and Taxation, Monash University, Australia

**Ms. Joy Rhoades,** Vice President Compliance, JP Morgan Securities Asia, Tokyo

Mr. Joseph T. Petro, Director, Global Anti-Money Laundering Compliance, Citigroup

Mr. Paul Watchman, Head of Compliance and Control, Citibank Australia

#### **WORKSHOP 28**

## The Underground Economy

Mr. Jyoti Trehan, Jawaharlal Nehru Fellow and Inspector General of Police, Indian Police Service, Punjab

Mr. William Bruton, Kroll Lindquist Avey, Atlanta, formerly of the Internal Revenue Service, US Treasury

Mr. Tarrant Green FCA, Researcher, Institute of Advanced Legal Studies, University of London

Dr. David Chaikin, Senior Partner, Motis Pacific Lawyers and Barrister, Chairman and CEO of Cyberbrief Pty Ltd, Former Senior Assistant Secretary, Australian Federal Attorney General's Department

#### **WORKSHOP 24**

The Impact of Digital Signatures and Consumer Rights on the Governance of the Financial Services Industry

**Dr. Ross Anderson,** Head, Computer Security Group, University of Cambridge

Mr. Ian Brown, Department of Computer Science, University College, London

Mr. Nicholas Bohm, Solicitor and Spokesman for the Law Society

#### **WORKSHOP 29**

Privatising Regulation - Whistleblowing and Bounty Hunting in the Financial Services Industry

Professor Fred Yeager, Professor of Finance, Saint Louis University Dr. Jim Fisher, Director: Emerson Electric Center for Business Ethics, St. Louis University School of Business Administration

**Professor Bill Gillespie**, St. Louis University School of Business Administration

**Professor Ellen Harshman**, Associate Provost, St. Louis University School of Business Administration

**Professor Leland Ware,** St. Louis University School of Law **Professor Henry Ordower,** St. Louis University School of Law

#### **WORKSHOP 25**

Money Laundering and the Integrity of the Financial Markets

Mr. Ernie Malone, Inspector, Officer in Charge, British Columbia Economic Crime Programme, Royal Canadian Mounted Police Mr. Peter German, Operations Officer, Richmond Detachment, Royal Canadian Mounted Police

#### **WORKSHOP 30**

Policing Economic Crime - The Business Justifications

**Mr. John Sliter,** Inspector and Officer in Charge, Policy and Programme Management, The Economic Crime Programme, Royal Canadian Mounted Police

# **18:45** Cocktails in the Marquee

**19:45 Dinner** in Hall and Upper Hall, Jesus College

Both generously hosted by **Lovells, London** 

Addresses by **H. E. Mr. Bruno Spinner**, Ambassador to Switzerland to the Court of St. James and **H.E. Mr. Ken Shimanouchi**, Deputy Ambassador, Embassy of Japan to the Court of St. James, introduced by **Ms. Tracy Paradise**, The Symposium Manager and The Secretary to the Society for Advanced Legal Studies with a vote of thanks by **Professor Fletcher Baldwin**, S.T. Dell Research Scholar and Professor of Law, and Director, Center for International Financial Crimes Studies, University of Florida

Friday, September 15, 2000

08:00 - 09:30

## SPECIAL BREAKFAST WORKSHOP

The Fight against Cybercrime
A Special Case Study presented by
The Federal Bureau of Investigation (FBI), US Justice Department

#### 09:30 Session XII: The Offshore Dimension

Chair: **Professor David Hayton**, Professor of Law, King's College, London, One of Her Majesty's Recorders and Deputy High Court Judge, The Bahamas

- The Hon. Mr. Delano F. Bart, The Attorney General, St. Kitts & Nevis, West Indies
- Mr. John Aspden, The Chief Executive, Isle of Man Financial Services Commission

- Mr. Peter Crook, The Director General, Guernsey Financial Services Commission
- Mr. Richard Pratt, The Director General, Jersey Financial Services Commission
- Mr. Peter Larder, Managing Director, CIBC Trust and Financial Services Limited, Zurich
- **Dr. Shazeeda Ali,** Lecturer in Law, University of the West Indies and former Crown Counsel, Government of Jamaica

#### 11:00 Coffee

# 11:20 Session XIII: Regulatory Models for Protecting the Markets - Successes and Failures

Chair: Mr. Michael Blair QC, Special Counsel, The Financial Services Authority, UK

- Mr. Olivier Raynaud, Chargé de Mission, Service de l'Inspection, Commission des Opérations de Bourse, France
- Mr. Mathew Wootton, Head of Regulatory Development, London Stock Exchange
- Dr. Fath El Rahman El Sheikh, Legal Adviser, Kuwait Investment Authority
- Mr. Mark McGinness, Co-ordinator, International Enforcement, Australian Securities and Investment Commission
- Mr. Thomas Roche, General Counsel, Federal Reserve Bank of New York
- **Professor Johan Henning**, The Director of the Centre for Corporate Law and Practice, The Institute of Advanced Legal Studies and The Dean of the Faculty of Law, The University of the Orange Free State, Republic of South Africa

# 12:30 Lunch in Hall and Upper Hall, Jesus College

# 14:00 Session XIV: The Role of Compliance in Promoting Good Business and the Implications for Regulated Activities

Chair: Mr. Jonathan Charkham, former Sheriff of the City of London and former Chief Adviser to the Governor of the Bank of England

- Mr. Edward R. Leahy, Partner, Bingham Dana LLP, Washington D.C. Former Special Counsel for Securities and Financial Markets Issues, US House of Representatives and Distinguished Scholar from Practice and Visiting Professor, Boston College Law School
- Ms. Susan Galli, Vice President, Director of Compliance: e-Business, Citibank, NA, New York
- Mr. Ioannis Alexopoulos, Partner, DLA (Solicitors), London
- Mr. Peter Richards-Carpenter, Partner, Rowe and Maw (Solicitors), London
- Mr. Mark Tantam, National Partner, Fraud Investigations, Deloitte & Touche, London
- Mr. Chris Dickson, Executive Counsel, Accountants' Joint Disciplinary Scheme and former Senior Assistant Director, The Serious Fraud Office, UK

# 15:15 Tea

# 15:30 - 18:45 Workshop Programme: More detailed summaries can be found at the end of this programme

# **SPECIAL WORKSHOP IV - 15:30 - 18:45**

The Society for Advanced Legal Studies Expert Working Group on Corruption

The Legal Implications for Financial Intermediaries and their Professional Advisers in Receiving or Advising on the Handling of the Proceeds of Corruption

Mr. Toby Graham, Partner, Taylor Joynson Garrett (Solicitors), London Mr. Nicholas Burkill, Partner, Taylor Joynson Garrett (Solicitors), London Mr. Mark Tantam, National Partner, Fraud Investigations, Deloitte & Touche

## With the participation of:

Mr. John McFarlane, Visiting Fellow, Australian Defence Studies Centre Ms. Jane Wexton, The Chief Compliance Officer, Global Consumer Finance, General Electric Capital Corporation

# **CORPORATE WORKSHOP V - 15:30 - 17:00**

# International Litigation in Financial Services Fraud Presented by

Mr. Andrew Keltie, Partner, Dispute Resolution, Baker & McKenzie (Solicitors), London Mr. Marwan Al-Turki, Partner, Financial Services, Baker & McKenzie (Solicitors), London Mr. Arun Srivastava, Senior Associate, Dispute Resolution, Baker & McKenzie (Solicitors), London

# **CORPORATE WORKSHOP VI - 17:15 - 18:45**

Jurisdictional Issues Affecting Securities Regulators Presented by

Mr. David A. Hausman, Partner, Fasken Martineau DuMoulin LLP, Toronto Mr. Scott K. Fenton, Barrister, Toronto

15:30 - 17:00 17:15 - 18:45

15:50 - 17:00	17:15 - 10:45
WORKSHOP 31	WORKSHOP 34
Insurance Fraud	Justifying Global Governance for the Financial Markets
Mr. George Henry Millard, Special Adviser to the Commissioner of Police, Brazilian Civil Police	<b>Mr. Kern Alexander</b> , Judge Institute of Management Studies, University of Cambridge
Mr. John Wagstaff, Director, Crime & Fraud Prevention Bureau, Association of British Insurers	<b>Dr. Rahul Dhumale,</b> Economist, Federal Reserve Bank of New York <b>Dr. Helen Weeds,</b> Cambridge University
WORKSHOP 32	WORKSHOP 35
The Impact of Islamic Law on Banking and Financial Markets	The Value of Ethics in Business
Dr. Fath El Rahman El Sheikh, Legal Adviser, Kuwait Investment Authority Dr. Bakri A. Bashir, Adviser, Economic Affairs, Bahrain Monetary Authority	Professor Ronald D. Francis, Professorial Fellow, School of Business & Law, Victoria University and Hon. Senior Research Fellow, Department of Psychology, Monash University, Australia  Dr. Denis Osborne, Associate Senior Research Fellow, Institute of Advanced Legal Studies, University of London
WORKSHOP 33	WORKSHOP 36
Jersey - The Offshore Perspective: A Multi-Agency Approach to Regulation and Enforcement	Financial Investigation: The Practitioners View
	<b>Detective Inspector Simon Maylam,</b> National Crime Squad, UK
Mr. Richard Pratt, The Director General, Jersey Financial Services Commission	<b>Mr. Dave Monk,</b> National Crime Squad, UK
<b>Detective Inspector David Minty,</b> Head, Joint Police and Customs Financial Crimes Unit, States of Jersey Police	

- 18:45 Cocktails in the Marquee generously hosted by *Taylor Joynson Garrett (Solicitors)*, *London*
- 19:45 Dinner in Hall and Upper Hall, Jesus College generously hosted by *Fasken Martineau DuMoulin LLP*, *Toronto*

Addresses by *Mr. Roy Penrose, QPM, Director General, National Crime Squad* and *Mr. Saul Froomkin QC*, The Symposium Chairman introduced by *Professor Johan Henning*, The Director of the Centre for Corporate Law and Practice, IALS and Dean of the Faculty of Law, University of the Orange Free State, Republic of South Africa with a vote of thanks by *Professor Barry Rider*, The Symposium Director

# Saturday, September 16th, 2000

08:30 Keynote Address: International Co-operation

The Hon. Dr. Ibrahim Y. Lamé, Senior Special Assistant to the President on Drugs and Financial Crimes, Nigeria

Introduced by **Dr. David Chaikin,** Senior Partner, Motis Pacific Lawyers and Barrister, Chairman and CEO of Cyberbrief Pty Ltd, Former Senior Assistant Secretary, Australian Federal Attorney General's Department

## 09:00 Session XV: International Co-operation in Protecting the Economy

Chair: **Professor William Gilmore**, Professor of International Criminal Law, Law School, University of Edinburgh and former Head of the Commonwealth Crime Unit, Commonwealth Secretariat, London

- Mr. Seiji Kihara, Debt, Development and Export Credit Team, HM Treasury, on secondment from The Ministry of Finance of Japan
- Ms. Marisa Lago, The Director, Office for International Affairs, US Securities and Exchange Commission
- The Hon. Dr. Manuel Domper, The Director, Central Bank of Argentina
- Ms. Dianne Stafford, The Director, Legal and Constitutional Affairs Division, Commonwealth Secretariat, London
- Mr. Peter Csonka, Division of Crime Problems, Directorate of Legal Affairs, Council of Europe
- Mr. Marcelo Ruiz, Senior Partner, Anzorreguy, Ruiz & Asociados, Buenos Aires and former Political Counsellor, Argentine Embassy, London
- Mr. Mike Dixon, NCIS ICPO Interpol, London

#### 11:00 Coffee

# 11:30 Session XVI: Supranational Regulation - The Way Forward?

Chair: **Professor Johan Henning**, The Director of the Centre for Corporate Law and Practice, The Institute of Advanced Legal Studies and The Dean of the Faculty of Law, The University of the Orange Free State, Republic of South Africa

- Mr. Gerrit de Marez Oyens, The Secretary General, International Federation of Stock Exchanges (FIBV), Paris
- Mr. Helmut Wittelsberger, Head, Economic and Monetary Union: Transnational Questions, Directorate General for Economic and Financial Affairs, European Commission
- Mr. Carlo Comporti, International Relations Office, CONSOB, Italy
- **Dr. Mads Andenas**, The Director, British Institute of International and Comparative Law, London and former Director General (Legal) of the Royal ministry of Finance, Government of Norway and Special Counsel to the EBRD
- Mr. Kern Alexander, Judge Institute of Management Studies, University of Cambridge

## **12:45** Lunch in Hall and Upper Hall

# 14:15 Session XVII: The Implications on Financial Intermediaries of Parallel Enforcement Proceedings

Chair: Professor Barry A. K. Rider, Symposium Director

- Professor Mario Serio, Il Consigliere, Consiglio Nazionale della Magistratura, Rome
- **Dr. Volker Lipp**, Privatdozent, University of Mannheim
- **Professor Fletcher Baldwin**, S.T. Dell Research Scholar and Professor of Law, and Director, Center for International Financial Crimes Studies, University of Florida
- Mr. Saul Froomkin QC, The Symposium Chairman
- 16:00 Closing Remarks by Mr. Saul Froomkin QC, The Symposium Chairman and Professor Barry Rider, The Symposium Director

#### 18:30 Informal Evening of Cultural Entertainment hosted by CIDOEC

## **Workshop Summaries**

## Please note that the Workshop Directors are at liberty to change the contents of their workshops at their discretion.

#### Special Workshop I: The Enforcement Powers and Policies of the Financial Services Authority

The FSA is set to become the UK's single financial services regulator later this year, when the Financial Services and Markets Act 2000 comes into force. The FSA's enforcement powers have been the subject of great scrutiny and debate. Concerns about the potential for over-zealous enforcement were widespread and led to many additional safeguards being written into the statute itself. Whilst past performance can be no certain guide to the future, it seems likely that these important powers will be pressed into use for the first time in the near future. So what are these powers, and how does the FSA plan to go about exercising them? The purpose of this workshop is to answer these questions by explaining the FSA's range of civil, criminal and administrative powers and their place in the FSA's regulatory toolkit. You will gain an up to date insight into the procedures and policies that the FSA will be applying in practice.

#### Special Workshop II: Financial Institutions and Money Laundering

The panellists will engage in a wide-ranging discussion of the issues which face a financial institution when it believes that one of its customers may be involved in illegal money-laundering activity. The seminar will cover the institution's obligations under current United States law; its responsibilities if an investigation is commenced into its customer and to the investigating agency; its ability to recover and obtain the return of funds due on any outstanding credit facility with the customer, and its potential liability to the customer and/or exposure to the government resulting from its discovery of illicit activity.

# Special Workshop III: Financial Risk and Human Rights

Crime puts people and money at risk. Convicting criminals is difficult and efforts to facilitate prosecution may threaten human rights by making evidence unreliable. How may rights be best protected? Are special precautions necessary for evidence based on information technologies? What responsibilities need to be accepted by investors and financial managers to protect the rights of others? What limits are needed on any right to privacy? Workshop participants are invited to discuss these and other issues associated with human rights. Those who can report examples where human rights have been either well defended, or put in jeopardy, will be especially welcome.

# Special Workshop IV: The Society for Advanced Legal Studies Working Group on Corruption - The Legal Implications for Financial Intermediaries and their Professional Advisers in receiving or Advising on the Handling of the Proceeds of Corruption

Cases of 'grand corruption' and the scale of wealth involved seem greater than ever before. Part of the reason for this is the ease with which corruptly acquired funds can be transferred abroad. There are two strategies for preventing such corruption. First, for the victims of corruption to pursue legal remedies that lead to the recovery of corruptly acquired funds. Second, to deprive the corrupt officials of the facility to transfer such funds abroad. This workshop will consider: corruption-the harm to society; whether the UK's anticorruption legislation complies with the OECD Convention on Combating Bribery of Foreign Public Officials; possible liability under anti money laundering legislation of those who handle the proceeds of corruption; the interrelationship between civil and criminal liability compliance measures that financial institutions should implement to ensure the proceeds of corruption are not handled; a discussion of the viability of the victims of corruption pursuing civil claims to recover the proceeds of corruption. The workshop will consider issues such as funding such actions and mutual legal assistance.

#### Special Breakfast Workshop: The Fight against CyberCrime - A Special Case Study by the Federal Bureau of Investigation (FBI)

This presentation will cover various aspects of CyberCrime that the FBI has jurisdiction over. A brief introduction about the Internet and the scope of the problem will be discussed in detail. This will include the ever expanding World Wide Web, as well as the number of complaints that are being filed. Next, an overview of the types of crimes being committed over the Internet will be discussed. This discussion will cover a number of different types of crimes and their impact because of the Internet. The impact and effect on our economy, as well as, what the FBI is doing to combat this new technological crime. The presentation will conclude with the FBI's response to this emerging crime problem.

#### Corporate Workshop I: Risk Management, DLA (Solicitors)

Banks and other financial services providers are faced with ever increasing regulatory burdens. The aim of this workshop is to show how proactive specialist legal advice can assist such institutions to protect not only their customers but also their businesses with the benefit of: compliance audits; identification of potentially sensitive information and legally privileged documents; practical assistance for senior management and staff on how to manage and control regulatory investigations; legal advice on interviews with the regulators and media management. Within this context, a number of important topical legal issues relevant to the financial services sector will be discussed ranging from directors' duties to data protection.

#### Corporate Workshop II: Recoveries in Securities Frauds, Herbert Smith (Solicitors)

Frauds are increasingly complex, international and paperless. By reference to a case study based loosely on a real case, this workshop addresses some of the legal and tactical issues, which arise when a cross-border securities fraud is uncovered.

- Defining the litigation strategy: Identifying objectives and priorities; Timing; Choice of jurisdiction and law; Cross-border co-ordination and management and Use of regulatory investigations
- Causes of action
- Remedies available in England and Wales, including Freezing injunctions and disclosure orders; Search orders; Disclosure against third parties and
  "gagging orders" and Setting aside transactions at an undervalue
- Tracing assets
- Potential pitfalls

#### Corporate Workshop III: Regulatory Compliance and the Impact of the New UK Financial Services Regime, Lovells (Solicitors)

The workshop will discuss current issues in the field of regulatory compliance, against the background of the new UK financial services regime. Topics for discussion will be decided in the light of developments between now and the date of the workshop but may include: regulators and senior management responsibility; compliance in the age of e-commerce and globalisation and risk-based -v- rule-based regulation.

#### Corporate Workshop IV: Fighting Back - Gathering Evidence to Defeat the Fraudster, CMS Cameron McKenna (Solicitors)

The idea of this session will be to present a comparative study of various key jurisdictions as to the legal remedies available to obtain evidence and some of the legal pitfalls involved.

#### Corporate Workshop V: International Litigation in Financial Services Fraud, Baker & McKenzie (Solicitors)

An experienced team from global law firm Baker & McKenzie will lead a practical and interactive workshop on international litigation in financial services fraud. They will draw out the following themes:

- \* civil, criminal and regulatory issues the expanding scope of jurisdiction and liability.
- \* the gateways to the exchange of information among regulatory bodies.
- \* the potential liabilities of intermediaries.
- \* how regulated institutions can minimise and control risks.
- \* regulation of financial services on the internet.

## Corporate Workshop VI: Jurisdictional Issues Affecting Securities Regulators, Fasken Martineau DuMoulin LLP

This workshop will focus upon the following issues:

Assistance to extra-territorial regulatory authorities

Affect of Supreme Court of Canada decision in Global Securities Corp v. British Columbia Securities Commission, affirming jurisdiction to render assistance to securities administrators in other jurisdictions

Extra-territorial effect of Provincial securities legislation; capacity of Canadian Securities Administrators to sanction conduct by Canadian market participants in extra-territorial trades, and

Impact of membership in the International Organisation of Securities Commissions (IOSCO)

#### Workshop 1: Electronic Markets: The New Frontier

This workshop will examine how the explosive use of Internet is changing financial markets and regulation. It seeks to familiarise participants with current issues such as online trading, day trading, electronic communication networks (ECNs), cyber-brokers, e-underwriters and virtual IPOs (initial public offerings). The effect of these phenomena on the markets, on government regulation and on the consumer will be examined. Emphasis will be given to threats of new types of fraud and manipulation that may be facilitated by an electronic environment and proposed strategies to combat fraudulent activity. The future of self-regulation in the face of exchanges converting to for-profit corporations also will be addressed.

#### Workshop 2: The New Transitional Financial Markets in Central and Eastern Europe

This workshop will cover the new financial regulations adopted recently with the main goals: to fulfil the lack of legislative measures in certain areas of financial regulations, to create effective and applicable laws and by-laws. There will be a certain emphasis on the determination of "securities" according to the Bulgarian Law of Public Offer of Securities, as well as a criticism of some of the existing financial regulations and their implementation in practice.

#### Workshop 3: Insider Crimes

We shall endeavour to anticipate and catalogue new opportunities for the exploitation of privileged access to non-public, price-sensitive information posed by new technologies, integration and 'convergence' in the global financial services industry. We shall then propose and discuss means by which the dangers can be addressed, including new and enhanced regulatory capacities wrought by technological advance and inter-jurisdictional co-operation.

#### Workshop 4: New Financial Instruments in the 21st Century

New Financial Instruments in the 21st Century will evolve successful existing structures. Electronic quotation and execution will surge as markets consolidate and technology improves. The single and increasingly liquid European capital market will drive explosive growth. We shall discuss examples of instruments and highlight technological initiatives.

#### Workshop 5: The Role of Accounting Standards in Maintaining Financial Integrity

It is an unfortunate fact that there were a number of high profile corporate failures during the late 1980s and 1990s where accounting and audit standards were criticised with the advantage of hindsight. What has been learned from such cases? Is there an expectation gap in relation to the role of auditors in detecting fraud? Where does the responsibility for financial integrity lie? Are auditors sufficiently independent of their fee-paying clientele and, if not, what further steps should be taken to secure such independence? Do the rules on rotation of auditors go far enough? Should audit be undertaken by a state body rather than the profession and, if so, what are the relative advantages and disadvantages? How can corporate governance and proper regulatory control enhance the value of audit? What are the additional risks imposed by trading in cyberspace and how should auditors address this issue?

# Workshop 6: On-line Securities Frauds

This workshop will cover the following topics:

The function of securities markets - Traditional forms of sharemarket-related illegality (Misrepresentation, Market Manipulation, Insider trading) - Conventional regulatory responses - New technologies and their impact on sharemarket-related illegality (The fraudulent offer of investments, Market manipulation, Insider trading, Other criminal opportunities) - Countermeasures and regulatory responses (The legal framework, Surveillance, Investigation, Enforcement, Investor education, International co-operation) - Self regulatory activities

#### Workshop 7: Money Laundering in Central and Eastern Europe

The aim of this workshop will be to review regional attempts to implement effective anti-money laundering legislation; to review the experiences of legislators and law enforcers in the area, and to attempt to identify leading initiatives which should be indicative of potential success or failure of regional attempts to implement best practice solutions in anti-money laundering.

#### Workshop 8: Protecting the Private Investor

What objectives should investor protection have? Should it confine itself to combating and compensating for fraud and ensuring access to information to achieve an informed market? What if some categories of investors are much less capable of making effective use of information that others? And what of the role of advisers, particularly where they are also product providers or take substantial commissions? Recent experience in Britain in the retail market for pensions, endowment insurance and mortgages suggests that solutions are not obvious.

#### Workshop 9: Derivatives and Options Trading

#### Workshop 10: The Media and the Manipulation of Markets

Topics covered will include: share ramping, shorting, bear raiding, and the so-called "Friday night drop" where PR companies tip off the media with stories aimed at hyping shares.

#### Workshop 11: Economic Organised Crime

This workshop will address organised crime as an illicit business and the opportunities such businesses would identify within the financial services market.

#### Workshop 12: The COMELY Project

The LSE Computer Security Research Centre has been developing its COMELY (Control of Money laundering in the Electronic Years) project since the workshop of 1999. The work thus far has emphasised the role of modeling which detail roles, responsibilities and norms, business processes and, in particular, the analysis of information flows within and between financial institutions and regulators. The project adopts a systemic approach that overcomes of fragmentation of research that is confined to particular disciplines, e.g. law, law enforcement, electronic communications and enables regulators and financial institutions to develop new information management strategies. The emphasis is on practical solutions, which both improve business performance and ensure compliance. At the workshop case studies in money laundering will be presented to demonstrate application of the models.

#### Workshop 13: The Dematerialisation of Securities

How do you decide the applicable law for ownership disputes? At what point do dematerialised securities become "pure" financial obligations? Should they be seen as contractual obligations, rather than items of property? Are securities close to becoming ,or replacing money? Does dematerialisation increase or decrease the opportunities for fraud and money laundering?

#### Workshop 14: The Control and Prevention of Financial Crime in Latin America

The goal will be to share and discuss the recent advances and set backs by Public and Private Sector to fight financial crimes, such as money laundering, forgery, bankruptcy loans, etc, and corruption, in order to provide common experience and guidance. Issues covered will include:

Major financial crime in Latin America,

How financial crime threats the stability and integrity of the economic and financial order of the countries, and the good governance of the financial services industries.

Joint efforts carried out by the Public and Private sectors to fight financial crimes: advances, failures, constraints and evaluation and moves toward a Hemispheric order against economic crime, corruption and money laundering.

#### Workshop 15: Compliance And Enforcement Effectiveness: T11-Methodology, Method Of Reasoned Truth And Compliance Chain Analysis

This session consists of two short talks and an extensive demonstration in analyzing a crime problem with the help of Group Decision Support. The focus will be on 2 questions:

- How effective are your preventive or repressive law enforcement efforts?
- How to organize your agency's ICT/knowledge management to incorporate the knowledge necessary to support the primary processes of prevention, control and investigation intelligently?

Therefore the main emphasis is on methods and instruments of riskanalysis and mind-mining, asking you to bring your own domain of interest into the session to have it analysed/assessed. Results will be available immediately after the session. How do we proceed? We use a content model of compliance that has been tested and applied in recent years on a number of subjects in law enforcement and financial services (such as suspicious transaction reporting, environmental fraud, fraud in the insurance industry) and environmental crime. The model includes eleven factors, hence the name Table of Eleven or T11.

# Workshop 16: Cyber-Organised Crime and Terrorism

The workshop will include discussion of terrorist organizations such as the "Black Tigers", criminal groups such as the "Phonemasters" and foreign intelligence services as well as jurisdictional issues. With the American Society of Industrial Security estimating losses at two billion U.S. dollars per month in 1997 due to cybercrime and a prediction that by 2003 electronic commerce is projected to exceed one trillion U.S. dollars annually, the motive and opportunity for criminal and terrorist groups is explosive. Attendees at the workshop are requested to bring examples from their jurisdictions to maximise group participation and interaction.

## Workshop 17: Criminal Aspects of White Collar Crime

The following questions will be raised in this workshop: How do international institutions look at the problem? What domestic and international actions exist for combating the involvement of professionals in white-collar crime? Is it possible to duplicate, for white-collar crime, the same criminal legislation developed for combating organised crime? What are the pro and cons? Is it possible to duplicate, for the investigation of white-collar crime, the special investigative powers that law enforcement has for investigating organised crime? What are the pro and cons? Do law enforcement agencies need special training for in order to investigate white-collar crime?

#### Workshop 18: Combating Financial Crime in a Developing Country

Methods and strategies that are effective in developed countries to address financial crime often prove less successful in developing countries. This workshop will analyze positive and negative South African experiences in respect of insider trading and money laundering, with a view to identifying methods that may prove more effective in developing countries. The workshop will be interactive and will draw on the experience and expertise of the participants.

#### Workshop 19: Lawyers and Legal Privilege - Striking the Right Balance

Lawyers are very much involved in the provision of financial services and even the English Law Society recognises that solicitors are considered to be a soft target by fraudsters and money launderers because they can provide an air of respectability to otherwise suspicious transactions. However, one of the most compelling reasons for the use of lawyers by criminals is the environment of secrecy and professional privilege in which lawyers operate.

The subject of professional legal privilege is viewed by many outside of the legal profession as a smokescreen behind which criminals can hide. Lawyers, on the other hand, generally regard it as a sacrosanct right, which must be preserved at all costs. It has traditionally been so much a part of the legal culture that many lawyers view the privilege as being absolute even though in reality this has never been the case. This workshop will examine the development of professional legal privilege in England and Wales and compare and contrast it with the concept of lawyer confidentiality. This is a much misunderstood area with many lawyers failing to realise that even in areas which were traditionally subject to legal privilege the lawyer may now, because of anti-money laundering legislation have a legal duty, in certain situations, to report client information to the National Criminal Intelligence Service. Consideration will also be given to the attempts by the Law Society in England to raise awareness of this issue among solicitors.

#### Workshop 20: Compliance with Money Laundering Investigations

This workshop will deal with the issues, which will often arise for the banking, accountancy and legal professions when a client is the subject of a money laundering investigation. Issues covered will include responding to production orders, professional privilege, avoiding the offence of "tipping off" and compliance with money laundering regulations.

#### Workshop 21: Civil Enforcement Proceedings

A discussion of different methods of so-called civil enforcement powers concentrating on financial penalties as an alternative to the criminal process; compensation to victims of crime; civil forfeiture of assets used in crime, civil process at the instigation of the State in relation to the proceeds of crime; civil freezing orders in relation to criminal proceeds; constitutional aspects of the civil process in relation to double jeopardy, disproportionate penalties and property rights. The goal of the workshop will be to draw on the experience of the participants in this area to determine what might constitute the most effective methods for the State to use civil powers in its enforcement armory.

#### Workshop 22: Financial Markets in the South African Development Community: The Harmonisation and Approximation of Commercial Laws

This theme is aimed at the exploration of the current lack of an effective transnational commercial milieu within the Southern African Development Community and encompasses several possible themes:

the harmonisation of companies and securities legislation; the provision of financial services in a small business enabling and developmental environment; the harmonisation of financial services legislation; strategies for transnational co-operation in the prosecution of financial services fraud.

#### Workshop 23: The Costs and Risks of Compliance

This workshop focuses on the issues of costs, risks and justifications for the compliance function within financial organisations. Compliance is now viewed as an essential element of risk management within financial services, but the methodologies associated with costing compliance are less well developed. The workshop explores the costs-risk paradigm of compliance and discusses best practice across jurisdictions. The workshop is definitely not "convenor chalk and talk", but rather interactive with an emphasis on case study analysis of practice and policy development in this area.

# Workshop 24: The Impact of Digital Signatures and Consumer Rights on the Governance of the Financial Services Industry

The rapid growth of e-commerce will have a huge effect on the governance of the financial industry. More and more conventional firms, from life insurers to supermarkets, offer banking services, and a growing range of quite new businesses offer trading services, intermediary services and transactions of various kinds. The old barriers between the financial sector and the rest of the economy are getting very leaky, and may shortly disappear almost completely. At the same time, the worldwide nature of the web makes national regulation (and indeed taxation) increasingly problematic.

This workshop will focus on the growing entanglement of financial sector governance, consumer issues and technology. The drive to deploy digital signatures and public key infrastructures may well create a tension between consumer rights and governance: electronic means for authenticating customers is being pushed by governments as a means of law enforcement but by the banking industry as a means of offloading risk. As the web is largely consumer-driven, consumers will take many decisions that previously were taken by regulators. They may reject attempts to change the terms of business in their disfavour and at the same time undermine attempts to control money laundering.

## Workshop 25: Money Laundering and the Integrity of Financial Markets

The increased reliance of financial markets on technology and, in particular, the Internet, have made them very attractive to sophisticated organized crime groups and money launderers, who crave anonymity and speed as they attempt to place, convert and integrate the profits of crime. The international community is struggling to meet this challenge, through new legislation and heightened enforcement. The intent of this workshop is to apply a critical eye to the work of the international community, using the example of Canada as a starting point. Canada, a participant in numerous international conventions, is belatedly moving toward cross-border currency transaction and suspicious transaction reporting, as well as the creation of a financial intelligence unit which will seek to correlate and disseminate the intelligence received.

#### Workshop 26: Securities Frauds and Boiler-room Operations

The workshop will cover the methods by which boiler rooms operate, including production or acquisition of shares, attraction or identification of potential customers and sales techniques. It will outline approaches to detecting, investigating and prosecuting boiler room operations.

#### Workshop 27: The US Foreign Narcotics Kingpin Designation Act and its Impact on Financial Intermediaries

A new US law targets the transactions and assets of possibly thousands of the world's top drug traffickers and money launderers. The law is entitled, 'Foreign Narcotics Kingpin Designation Act', and was signed by President Clinton on 3 December 1999. The law has many controversial provisions, including its extraterritorial application to non-US financial institutions operating in foreign jurisdictions. The law is enforced by the Department of Treasury's Office of Foreign Assets Control in the Department of Treasury. The law's extraterritorial provisions raise a number of important issues of civil and criminal liability under US law which will be explored in the workshop.

#### Workshop 28: The Underground Economy - Please refer to the Website at the end of April for further details

#### Workshop 29: Privatising Regulation - Whistleblowing and Bounty Hunting in the Financial Services Industry

This workshop will explore the potential role of whistleblowing and bounty hunting as a mechanism to supplement the work of regulators. Currently provisions of the U.S. False Claims Act allow private citizens who observe fraud in federal programs to "blow the whistle" and to share in damage recovery. This Act has effectively assisted in identifying fraud and other illegal activity in a variety of industries. These developments lead us to address the following question: What is the role of whistleblowing as a means of regulation in the financial services industry?

## Workshop 30: Policing Economic Crime - The Business Justifications

The hosts of this workshop will present a suggested guideline for building a business case for additional resources. A past study conducted by the Royal Canadian Mounted Police will be used as an example of one particular case. Highlights include the following key elements.

- An objective and impartial determination of the social and economic impact of the assessed value of economic crime within a given jurisdiction.
- Benefits Analysis. A key element of any business case is a determination of the identity of the relative benefits gained by key players from the enforcement activity.
- Appropriate Resource Levels & Organizational Structure. An objective and impartial determination of resources and skill sets required to deliver on the given enforcement mandate.

#### Workshop 31: Insurance Fraud

The workshop will identify current forms and trends of insurance fraud in the UK and attendees will be able to measure these against the situation in their own country. We will then move on to look at the issue of insurers trying to \_&sell\_8 their fraudulent cases to police forces. Police forces have a range of priorities and fraud generally is low on that list. The Association of British Insurers has produced a joint agreement with the Association of Chief Police Officers (ACPO) over the reporting of insurance fraud and the police reaction to such reports.

#### Workshop 32: The Impact of Islamic Law on Banking and Financial Markets

This workshop will focus on legal issues arising in the implementation of Islamic law in commercial transactions and debt financing. These include, among others, problems entered according to Islamic law but eventually sought to be enforced by the civil courts, limited jurisdiction of the Shari'a courts, conflicting values between Shari'a principles and some civil legislations and others. This workshop will also identify some of the problems arising within different jurisdictions and to invite participants to discuss the key issues above and share their experience of Islamic banking.

#### Workshop 33: Jersey - The Offshore Perspective: A Multi-Agency Approach to Regulation and Enforcement

All crimes money laundering legislation was enacted in Jersey in July 1999, and a close working relationship has developed between regulators, the JFSC, and the unit responsible for policing the legislation, the JFCU. Close working relationships have also been developed between the equivalent agencies in the other Crown Dependencies, Guernsey and the Isle of Man, as well as UK bodies, such as the FSA, NCIS and HM C & E, as well as Foreign and International agencies. The presenters will give a brief overview of their roles in developing this multi-agency approach, outlining some of the benefits that such an approach had has, and is likely to have in the future. In what is hoped to be an interactive session the presenters will be pleased to receive any questions the audience may have in regulation and enforcement in Jersey.

# Workshop 34: Justifying Global Governance for the Financial Markets

Inadequate preparation for financial liberalisation can contribute greatly to macroeconomic, institutional, and financial weaknesses. Timely implementation of prudential supervisory standards is necessary to maintain the systemic health of the financial sector and sound management of financial institutions. The implementation of minimum capital adequacy standards has been an important initiative in this area. Changes in the composition and size of banks' portfolios to risk-based capital requirements are crucial for formulating appropriate regulatory policies. In this context and given the possible sources of failures in the capital adequacy requirements during recent financial crises, specific weaknesses within the financial sector included the lack of transparency, ineffective accounting standards, and an inadequate institutional framework. This discussion concentrates on these and other issues including emerging trends in capital regulation and the policy concerns that have arisen with respect to the capital structure of multinational financial institutions. The discussion ends with some suggestions regarding future changes to the existing system of prudential supervision and regulation.

# Workshop 35: The Value of Ethics in Business

The formal acceptance, and the institution of formal business ethical structures in business, is relatively recent. That slow start, and the current reluctance to foster, explicitly, ethics may be attributed, in part, to the lack of clarification of its practical benefits. Among the major and direct benefits, is that of improving the bottom line. There are 3 forms of support for this proposition. One is the use of logical argument, the second that of empirical evidence from real balance sheets, the third is the accounts of business entrepreneurs who set up quasi-idealistic enterprises. This workshops will systemise these 3 approaches and attempt to draw lessons and conclusions.

## Workshop 36: Financial Investigations: The Practitioners View

This workshop will cover: legislation, international co-operation, technology and current threats and trends to the UK financial system.

Please note that, having regard to the number and calibre of the speakers involved in this programme, it is inevitable that changes will take place.

## Jesus College, Cambridge

Jesus College was established as a college in the University of Cambridge in 1496, by Bishop Alcock of Ely. The history of the College is, however, rather more ancient. An order of nuns occupied the site and buildings for at least two hundred and fifty years before this. Since the inception of the annual Cambridge Symposium, eighteen years ago, the Master and Fellows of the College have been pleased to host the event and the College administers all financial matters pertaining to the programme.

## **Principal Organising Institutions**

# The Centre for International Documentation on Economic and Organised Crime (CIDOEC).

CIDOEC was established as a non-profit making organisation in 1988 to promote collaborative and comparative research in the prevention and control of organised and economic crime. It is based in Cambridge, although it has branches in southern Africa, North America, Latin America and the Far East. The Chairman of CIDOEC's Advisory Board is Mr. Saul Froomkin QC, a former Attorney General of Bermuda.

# The Institute of Advanced Legal Studies

The IALS was established in 1947 and is a constituent member of the School for Advanced Study of the University of London. Although part of the University of London, the Institute's role is national, and is funded by government on this basis. Its library is the national law library and the Institute's research staff are concerned with promoting and conducting research across a broad spectrum of legal and related issues, including the prevention and control of economic crime. The Institute's Advisory Council is currently chaired by Lord Nolan of Brasted, but Lord Hope of Craighead, another Lord of Appeal in Ordinary will succeed Lord Nolan on his retirement.

#### The Society for Advanced Legal Studies

The SALS is a registered charity concerned with promoting collaborative research between practising lawyers, academics and those involved in the administration of justice in Britain and elsewhere. Membership of the Society as a Fellow or Associate Fellow is open to anyone who has a post-graduate degree in law or a related discipline and or who has the right to practise law in any jurisdiction. The Society's Advisory Council is chaired by Lord Steyn of Swafield, a Lord of Appeal in Ordinary.

# The Centre for Financial Regulation of City University Business School

The City University Business School (CUBS) is one of the leading business and management schools in England and has the advantage of being based in the City of London, with the Lord Mayor as its Chancellor. The Centre for Financial Regulation was established to promote and conduct research, across a broad spectrum of disciplines, in the area of financial regulation. The Chairman of the Centre's Advisory Council is Sir Kenneth Warren.

# Symposium Chairman

# Mr. Saul Froomkin QC OBE

Symposium Chairman and Chairman of CIDOEC. Senior Litigation Partner: Mello Hollis Jones & Martin (Bermuda). Former Attorney General, Bermuda, and Director of Criminal Law, Federal Government of Canada

# Symposium Director

#### Professor Barry A. K. Rider

The Director, Institute of Advanced Legal Studies, University of London. Symposium Director, Executive Director of CIDOEC, Fellow of Jesus College, Cambridge and Barrister

## **Deputy Symposium Director**

# Dr. Chizu Nakajima

The Director, Centre for Financial Regulation, City University Business School, London

# Symposium Manager

#### Ms. Tracy Paradise

The Secretary, The Society for Advanced Legal Studies, London