

RESOLUTION No.5/2016

COMMITTEE ON INTERNATIONAL MONETARY LAW

The Ethical Culture of Financial Services

The 77th Conference of the International Law Association, held in Johannesburg, South Africa, 7 - 11 August 2016:

HAVING CONSIDERED the report on International Monetary Law;

NOTING FIRST that in the aftermath of the recent global financial crisis that has adversely impacted the economies (and societies) in many jurisdictions around the world, many have lost trust in the financial intermediaries that have traditionally bridged the gap between those who have accumulated savings and those who need to borrow;

SECOND that national and international institutions have promoted a range of supervisory and regulatory responses in an attempt to address the causes of that financial crisis and the erosion of public confidence in its wake;

THIRD that there have also been a number of important developments at the national and international level in soft law to address these issues;

FOURTH that these steps alone can only go so far in changing the behaviour of financial institutions operating nationally and internationally and of those working in them;

CONCLUDING that there is a growing recognition of the need for a cultural change to supplement the legal measures that have been and further will be taken;

CALLS ON international institutions, institutions in the financial industry acting internationally, and the international legal community:

- A. to devote time and attention to foster an ethical culture to supplement and inform the operation of the law within the national and international financial industry and its institutions.;
- B. to take steps designed to restore trust in the financial industry nationally and internationally;
- C. to study and implement better practices that will lead those who deal with financial intermediaries to have a higher confidence in their integrity; and
- D. to ensure that supervisors of financial intermediaries and financial service providers are adequately resourced to monitor and guide such entities in their implementation of good culture and conduct and to encourage sound standard-setting initiatives.