

Date of the event:

On Friday 05th February 2010
From 1:00pm to 2:00pm

Location:

Luxembourg School of Finance
University of Luxembourg
4 Rue Albert Borschette
2nd Floor
Modigliani Miller Auditorium (E02-003)
L-1246 Luxembourg

Registrations:

- Free seminar (with lunch included)
- Registrations by email before February 3rd 2010
- At the following address : lsf-events@uni.lu

Information:

Ms Caroline Herfroy
Tel : +352 46 66 44 6335

<http://www.lsf.lu/eng/Research/Seminars-and-Conferences/Seminars-Workshops>



The LSF is pleased to invite you to the following
lunch seminar:

Conflicts of Interest and Market Discipline in Financial Services Firms

By Professor Ingo Walter

*Vice Dean of the Faculty
Seymour Milstein Professor of Finance, Corporate
Governance and Ethics
Stern School of Business
New York University*



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Conflicts of Interest and Market Discipline in Financial Services Firms

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LSF Seminar

There has been substantial public and regulatory attention of late to apparent exploitation of conflicts of interest involving financial services firms based on financial market imperfections and asymmetric information. This paper proposes a workable taxonomy of conflicts of interest in financial services firms, and links it to the nature and scope of activities conducted by such firms, including possible compounding of interest-conflicts in multi-functional client relationships. It lays out the conditions that either encourage or constrain exploitation of conflicts of interest, focusing in particular on the role of information asymmetries and market discipline, including the shareholder-impact of litigation and regulatory initiatives. External regulation and market discipline are viewed as both complements and substitutes market discipline can leverage the impact of external regulatory sanctions, while improving its granularity through detailed management initiatives applied under threat of market discipline. At the same time, market discipline may help obviate the need for some types of external control of conflict of interest exploitation.

