

# The Worshipful Company of International Bankers



Newsletter

March 2008

## Annual Banquet

**The Company's annual banquet was held at the Guildhall at the beginning of February at which Angus MacLennan, the Master of the Company, hosted 500 members and their guests who enjoyed good food, wine and company.**

In introducing the principal guest, Alistair Darling, the Chancellor of the Exchequer, the Master said that the first few months of his mastership had been characterised by global market turmoil and that in such tumultuous times it was incumbent on bankers to re-emphasise the fundamentals of trust, integrity and honesty as articulated in the company's principles for good business conduct. He remained heartened however by the continuing willingness of senior financiers to commit time and resource to the Company's educational and charitable activities.

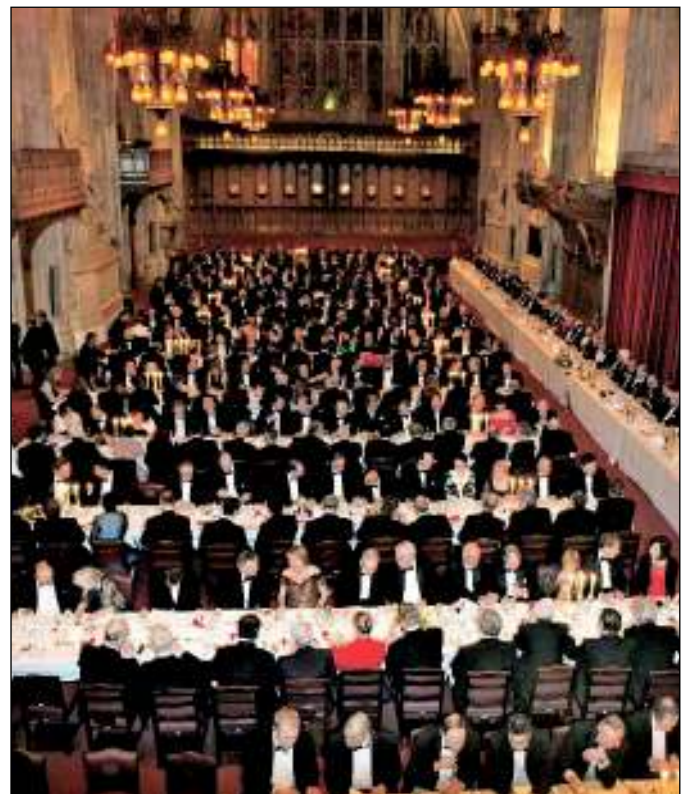
The Chancellor emphasised that the British government understood the importance of the City to the economy of the UK which generates close to ten per cent of UK GDP and supporting over 1 million jobs. He said that he was ready to take decisive action to ensure its success in the future. He noted that the Government and City, working together, can rise to the opportunities and challenges ahead, securing the UK's place as the best and most prosperous financial services sector in the world.

Speaking about the Summer's credit crunch he said that his objectives were to:

- take international action to increase stability of the financial system and its resilience by strengthening risk management by banks, including stress testing and liquidity management.
- strengthen the regulatory and supervisory framework, including new powers for the FSA to reduce the likelihood of banks failing
- reduce the impact of failing banks by introducing a "special resolution regime" for banks in difficulty.

- Ensure consumers have full confidence in an effective compensation deposit protection scheme
- Strengthen the Bank of England and improve co-ordination between authorities.

The atmosphere really livened up when the Senior Warden rose to his feet and told the Chancellor in robust tones that Government proposals in relation to non doms threatened to "kill the golden goose", that the "tipping point" had been reached, foreign residents would simply leave London and would be eagerly welcomed by other places. He concluded with a rallying cry that it fell to the City institutions to rise to the challenge of safeguarding the City's position: excellent stuff, he got a standing ovation. He was followed by the Lord Mayor urged the Government to think again and speak to City Associations about the perils of taxing non doms, and that the proposal risked "shooting ourselves in the foot".



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# Economic Crime Department by David Clarke

**Detective Superintendent David Clarke, is the Deputy Head of the City of London Police Economic Crime Department and is leading the team tasked to deliver the City Police's plan to become the country's lead force for counter-fraud activity. David tells us a bit about the City Police and explains why it is so well placed to take on this new role.**

Fraud in all its guises is fast becoming endemic in British life. Unabated, it will change the way that future generations view the world and undermine many of the advances we now take for granted. And this effect is already being experienced; fraud presently causes significant losses within our economy, succinctly captured in the opening lines of the Government's Fraud Review, "We are all victims of fraud. We pay higher prices in shops, higher interest rates on our mortgages and higher premiums on our insurance policies".

In terms of estimating the size of the problem, independent research into the Nature, Extent and Economic Impact of Fraud in the UK conservatively estimated that fraud cost the UK £13.9 billion in 2005 - £20 billion when income tax and EU fraud are added to the figure. These kinds of significant losses provided the impetus for the Government's Fraud Review initiative.

And this cost is experienced in human terms too - where individuals are involved the ramifications are often devastating. Investment scams such as Boiler Room fraud for example, encourage victims to part with their life savings, pension lump sums or in the worst cases, accumulate huge debt with the anticipation of unattainable rewards. Victims may never recover financially; they are emotionally and mentally damaged and in some instances their health is destroyed. Even low level identity fraud can have a distressing effect. Fraud, just like all other types of crime, causes misery to those affected.

The following facts will be familiar to members and illustrate why fraudsters and terrorists in particular find the City an attractive place to try exploit or disrupt:

- 481 foreign banks are located in the City, more than anywhere else in the world;
- 56% of the global equity market is based in the City; and
- \$330 billion is traded each day on LIFFE, the highest amount in the world.

The City Police has always been alert to the threat of fraud and the risks it and other serious crimes present.

The City Police plays an important role in ensuring investors have confidence in the City as a safe and secure place in which to conduct business which helps to maintain its reputation as the world's leading financial and business centre.

The Economic Crime Department (ECD) with 150 staff, is the largest fraud squad in Europe and the nature of its

work the handling hundreds of requests for assistance and conducting investigations far beyond our geographic boundaries. The ECD's performance is impressive. The City Police as a whole brings charges in 38% of all reported crimes – amongst the highest rate in the country. At ECD this runs to around 80% of crimes reported.

The City of London Corporation is the police authority for the City and is fully committed to serving the varied needs of our disparate communities. The Corporation recognises stability is vital to the City's continuing success and the need to combat economic crime is at the heart of this.

The cross-government review of fraud provided the most detailed analysis of the problem presented by non-fiscal fraud and made 62 recommendations to improve the situation. Several of these will have a direct impact on the City Police. Under the new arrangements, which have been granted funding by the government, the City Police will become the new Lead Force for counter-fraud activity in England & Wales, operating as a centre of excellence to increase the UK's capability to investigate fraud cases including the setting up of a National Fraud Reporting Centre, which will provide a central point for reporting cases of fraud and sharing intelligence.

The City Corporation has supported this approach and is to provide additional funding to allow the recruitment of up to 45 additional investigators to lead and coordinate the fight on fraud.

Implementation of the Fraud Review recommendations starts this April with the creation of the National Fraud Strategic Authority and establishment of a Multi-agency Coordination Group (MACG) to oversee operational activity. Lead Force staff will be in post by late summer and will be ready to launch their first major operation by year end. The National Fraud Reporting Centre and Intelligence Bureau will be tested as a proof of concept this summer prior to a proposed phased rollout beginning in Spring 2009.

The City Police is uniquely placed and proud to be selected to undertake this role but we do not underestimate the tremendous challenge ahead.

That said, the benefits to be accrued from this new approach to fraud are potentially immense. For the first time, there will be clarity about reporting fraud; an easier means to report fraud; a greater understanding of the problem we face; better sharing of intelligence on fraudsters and a more effective, proactive response to crime. In turn, this should lead to higher satisfaction for victims and greater deterrence to those engaged in the crime.

# Charity & Education Committee Report by Bill Whitehead

**Since the last Newsletter there has been one major change to the C&E Committee, Stan Hurn has stood down from the chairmanship of the Committee. Stan chaired the Committee for over three years and under his leadership we made significant progress. Fortunately Stan agreed to stay on the Committee and he will chair the charitable working group that administers the Small Charitable Bequest Fund.**

Chairs of the Committee and its sub committees are:

C&E Chairman:	Bill Whitehead
Schools Working Group Chairman:	Tony Rhodes
Vocational Working Group Chairman:	Sean Taylor
Universities Working Group Chairman:	Mark Sismey-Durrant
Small Charitable Bequests Chairman:	Stan Hurn

Each working group consists of five to six Company members. If anyone is interested in joining a Working Group as and when vacancies arise we would be pleased to hear from you through the Clerk.

## Recent Events and Current Initiatives

On 17th December the official launch of the City Careers Programme (CCP) took place at Goldman Sachs.

The City Careers Programme is aimed at high achieving 'A' level leavers from state schools across London, interested in a future career in the City. The students on the scheme will be 'talent tracked' throughout their university life and during holidays will be able to participate in a series of activities aimed at continuing to enhance their potential through workshops and networking events facilitated by City institutions.

The benefits for the CCP students are:

- The opportunity to join a network of fellow students and City companies.
- To have access to vacancies, graduate internships and diversity initiatives available through the supporting companies.
- To be able to participate in career development workshops, visits and networking sessions.
- To be supported to realise their potential and make the most of their previous City experience.

The CCP is funded through the Worshipful Company of International Bankers and will be managed and developed by our partner the Brokerage Citylink. The Brokerage is a City based charitable organisation which raises the aspirations of young people from inner city schools to the career opportunities within the financial and business services sectors. Their aim is to ensure that these young people reach their potential and to provide City employers with a pool of diverse, talented, future employees.

The launch event, kindly hosted by Goldman Sachs, went very well and was attended by the Middle Warden and a large number of Company liverymen and members. Also represented were the educational institutions with which we are associated. These included staff and students from the Charter School from Southwark, the City of London Boys and Girls Schools and the Cass Business School.

The Middle Warden presented honorary student memberships to eight students who are part of the first cohort of the CCP. The award winners were nominated by the Brokerage for their performance while on summer placements

on the City Business Training (CBT) programme. The honorary membership is for three years while they are studying at University and we look forward to seeing them at our events.

At the same event on 17th December we presented a cheque for £600 to the Charter School in Southwark. This was to sponsor the WCIB Business Challenge whereby teams of Charter School students will present innovative and entrepreneurial ideas for raising funds for their school. The best two teams will be awarded £300 to put their ideas into practice and will be given a WCIB mentor. The selection of the prize winners will be made by a panel including the chairman of the C&E Committee Schools Working Group. This initiative strengthens our relationship with the Charter School and is greatly appreciated by them.

Our association with the Charter School is our first of this type. As we gain experience through this partnership the intention is to select a small number of additional schools in inner city areas and set up similar schemes with them.

The Schools Working Group is in discussions with Cass Business School on developing a business game for 'A' Level students. These are at an early stage, more information to follow.

We have a well established relationship with Durham University Business School (DUBS) and award an annual prize for the Best Overall Performance by a MBA (Finance) student. This year, Stan Hurn attended the prize-giving banquet on behalf of the Company to give the prize to Ms Aliya Al Balushi.

The DUBS MBA Finance course students will be in London on 28th and 29th April this year for their City tour. Last year they were received at a number of financial institutions including Barclays Capital, Standard Chartered and the Bank of England. There was also a reception for the DUBS senior staff at the Company offices.

DUBS have asked us to assist them in arranging this year's tour and would very much like to hear from any of our members who could host an MBA career presentation or banking presentation.

The Universities Working Group intends to increase the C&E Committee's contacts with leading universities. This will be done via WCIB members who are alumni of these universities and are prepared to be the contact point for the relationship. The aim is for WCIB members to participate in careers events, guest lectures, mentoring, etc.

Universities with whom we have relationships so far are: Cass, Bristol, Durham, Kings College London, LSE, Loughborough, Newcastle Business School, UCL and Warwick.

The longer term aim is to offer WCIB academic prizes at selected universities as we already do with Durham. Once there are sufficient numbers of participating universities, a proposal will be made to the Court that the prize winners in each university should go forward to form the shortlist for the



annual award of the Lombard Prize.

To this end we want to build a database of our membership with details of universities attended where members would be willing to be the alumni contact with the university. Any members interested in having their details added to the database should e-mail the Clerk in the first instance. Given the international nature of our Company and the fact that we now have over fifty nationalities represented, as announced by our Master at the Guildhall banquet, we would be particularly interested to hear of any members having alumni connections with overseas business schools and universities.

On the charitable front, we plan to be more proactive in eliciting requests from suitable charities for donations from the Small Charitable Bequests Fund. We will also continue to seek recommendations from WCIB members. It is important that

any requests are in accordance with the SCBF guidelines and these can be found on our website.

Finally, we are discussing an educational sponsorship proposal with the Institute of Financial Services (IFS). The outline plan is for the Company to offer support to lesser privileged students studying for the IFS qualifications. This could be through bursaries, book grants, mentoring, etc. The IFS is the pre-eminent educational and membership organisation in financial services and a partnership with them would be mutually beneficial. Discussions are going well and we are hopeful of presenting a detailed proposal to the Court shortly.

Finally, in addition to the specific requests detailed above, if any member has comments or suggestions on the activities and aims of the Charity & Education Committee, we would be pleased to receive them.

## Gaye's Events Diary

We held our first "working" lunch on 7th November with Derek Tullett as guest speaker. It seemed quite jolly even without any alcohol – you can imagine the comments that caused! Derek must be one of the most well known and respected City figures, in a way from a bygone age of "jobbers." He spoke about his career in London, New York and Tokyo. I enjoyed his recollection of interviewing someone in New York who somehow revealed a revolver in his inside pocket – wonder if he got the job! Everyone agreed this was a good format.

We dined at the "numero uno" Livery Hall, Mercers, on 20th November when Willie Walsh, Chief Executive of British Airways was our guest speaker.

Mercers is a lovely hall, understated, but elegant with beautiful wooden carved panelling. Willie Walsh is reputed to have said that a reasonable man gets nowhere in negotiation so he must be just the man for BA. He made a big pitch for the expansion of Heathrow as a necessity for London to retain its position as "business capital of the world". It would mean 50% more flights, 75 new destinations – we all nodded (as long as we personally are not, of course, under the flight path of the third runway, woken up in the night etc!). Dubai, as he said, in comparison will have 6 runways and operate 24/7 – well, there is a lot of uninhabited desert to fly over! He made Terminal 5 sound fantastic but what really pleased me was to hear BA would be focusing on improving the lot of cattle class in Europe – goody!

The Master was kind enough to invite members and guests to a champagne reception on 24th January 2008 at Fortis's new building to celebrate Royal Charter. We all had a jolly time looking at the City skyline by night, drinking champagne and tucking into the excellent canapés. The Master unveiled our Royal Charter which was duly admired. You can look at the photos on their web site under Gerald Sharp Photography, under function type choose Livery Company, under choose function go to international Bankers Charter Reception.

I am looking forward to:

**18th March** - Golf meeting at Walton Heath

**10th April** - Dinner with Mike Bowron Commissioner for the City of London Police

**20th May** - Beating Retreat at CVHQRA Woolwich (hope the brollie won't be required)

**21st May** - Inter Livery Clay Shoot at Holland and Holland Shooting Ground

**22nd May** - Dinner with Richard Lambert Director General of the CBI as guest speaker

**26th June** - Breakfast sponsored by Withers for lady members and guests. Speaker - Angela Knight CBE, Chief Executive British Bankers Association

**14th July** - Barbecue sponsored by Merrill Lynch on their wonderful roof terrace

**24th September** - Court Installation Dinner at Drapers Hall. Speaker - Archbishop of York

Golf and Clay shoot although they are other livery companies as well so...

*I am working on a couple of other possibilities – secret!!*

## Complinet

Three liverymen of our company were honoured at the Complinet awards ceremony held at the Grosvenor House Hotel in mid January.

Anthony Belchambers, who is a member of the court as well as a liveryman was voted International Compliance Personality of the Year. Simon Hills, another court member was awarded the title of Trade Association Personality of the Year and John Tattershall received Complinet's Ten Year Anniversary Special Award - Complinet Personality of the Decade. Congratulations too, to John, who has been ordained as a Non-Stipendiary Minister in the Church of England - a long standing parish commitment meant that he was not able to accept his award in person. He did so remotely however – as the picture shows.



## New Years Honours

**Congratulations to members of the company who were honoured in the New Years Honours List.**

Martin Hall, a founding court member who was formerly Director General of Finance & Leasing Association was made an MBE and John Tiner, who until the early summer was Chief Executive of the Financial Services Authority, was appointed a CBE.