THE MAGAZINE OF THE WORSHIPFUL COMPANY OF INTERNATIONAL BANKERS

The International Banker

Summer returns to the City

"BUSINESS AS USUAL" BRINGS A SPRING TO THE BANKERS' STEP

LONGER SUMMER READS ON CRIME, GREENWASHING AND THE "S" IN ESG

SUMMER 2022

SUMMER 2022

The Worshipful Company Of International Bankers

CONTRIBUTORS

THE WORSHIPFUL COMPANY
OF INTERNATIONAL BANKERS
12 AUSTIN FRIARS, LONDON EC2N 2HE

CLERK: NICHOLAS WESTGARTH
DIRECT LINE: 020 7374 0212
EMAIL: clerk@internationalbankers.co.uk
www.internationalbankers.org.uk

WORLD LAND TRUST™
www.carbonbalancedpaper.com
CBP004599

From the Editor

Much of this summer issue of *The International Banker* has a special feature devoted to economic crime – its history, current state, and likely ways to solve this growing blot on all our reputations. So it was timely that on 30 June, as we went to press, the House of Commons' powerful Foreign Affairs Committee, chaired by Tom Tugendhat MP, produced a bombshell report on "The cost of complacency: illicit finance and the war in Ukraine."

"London's role as a global financial centre is tarnished by its reputation as a hub for illicit finance," it thundered. "The consequences for our national security and the integrity of our institutions and services are laid bare by the current war in Ukraine; assets laundered through the UK are financing President Putin's war in Ukraine". The June report – part of a work in progress – assesses the consequences of the complacency of successive Governments towards dirty money and the adequacy of the current Government's response.

The UK Economic Crime Act has established a register of beneficial ownership of overseas property and reformed the creaking and largely ineffective process of Unexplained Wealth Orders. While welcome, the committee concluded that the measures in the Act "do not go far or fast enough and do little to address the fundamental mismatch between the resources of law enforcement agencies and their targets. We call on the Government to increase substantially funding and expert resourcing for key law enforcement agencies".

Despite the Government's threats to impose swingeing sanctions against Russia, it says, the UK's sanctions regime was found to be "underprepared and under-resourced". The Government appeared to lack a grip on both the enablers of potential sanctions targets and, crucially, their proxies to whom wealth was transferred. "We recommend that the Government provide the sanctions unit with the necessary additional resources for the duration of the Ukraine crisis as well as working to develop a professional sanctions cadre within the Foreign, Commonwealth & Development Office (FCDO)".

Dirty money is a transnational challenge that exploits the space between legal jurisdictions. Building on the coordination and cooperation over the war in Ukraine, the Parliamentarians urged the Government to develop a comprehensive transatlantic partnership to curb kleptocracy.

"We regret that it has needed a war for the Government to make progress on long- promised plans to tackle the flows of illicit finance through London and beyond. Further action is now needed to ensure that those with dirty money no longer have a place to hide it."

George Littlejohn
Editor – *The International Banker*
george.littlejohn@btinternet.com

Contents

MORE REGULAR NEWS ON THE WCIB LINKEDIN CHANNEL

Join the many WCIB members who are already part of the exclusive WCIB LinkedIn group, to share news and contact each other directly. Sign up swiftly here: bit.ly/WCIBlinkedin

If you have the LinkedIn app on your phone, you can use this QR code.

The Annual Banquet

A GLORIOUS MANSION HOUSE FEAST MARKS A RETURN TO NORMAL LIFE FOR THE COMPANY

The Representative Lord Mayor, Sir Peter Estlin, with Mansion House Scholars

Sir Peter Estlin with WCIB Lombard prize winners

Guest speaker Stephen Welton amuses us with his conjuring trick

Members and guests enjoy the evening

The Master Robert Merrett

Guests from 306 Hospital Support Regiment

The Stair Guard from City of London Sea Cadets Corps

Lakeside Brass alumni of the Guildhall School

Master elect John Bennett MBE and his Consort Jane

300 guests enjoy the evening in the Egyptian Hall

Sir Peter Estlin presents a certificate to Sibeso Mofya from Zambia

From the Master

"FREEMAN, LIVERYMAN, MASTER"

I was installed as Master on 21 March 2022, succeeding the very successful 18 months that Robert Merrett served during 2021/22. Robert's first 12 months were deep in the coronavirus pandemic and he had little opportunity to meet other Livery Masters face to face. So, I offered, and he accepted, six months of my year as Master to experience a more normal calendar of events. Robert became very adept at Zoom meetings, introducing the Zoom Freedom ceremonies which are continuing now despite our ability to meet once more in person.

Unlike the installation of previous Masters, mine took place, not in the Drapers' Hall in the autumn, but in the Fishmongers' Hall in the spring. I think these two halls compete with each other for top spot in Livery Company architecture and decoration, but the Drapers cannot compete with the portrait of HM Queen by Pietro Annigoni which hangs in the Fishmongers' Hall Court Dining Room.

My tenure as Master will be shorter than most and, for that reason, I am continuing Robert's theme of "Freemen, Liveryman, Master". I therefore urge you all to recruit new members, get involved in the fabric of the Company, and ensure the Company continues to thrive as one of the most successful in the movement.

Although the Master's theme is very important during his or her year, underlying that theme are the principal aims of the Company: Fellowship, Charity, Education and Promoting the profession.

As part of the first of these four aims the Company holds two dinners each year to which all members are invited, the annual banquet in the Spring and the Installation dinner in the autumn.

This year we held a third dinner, in the form of a Charity Ball in June. This event combined both fellowship and our second aim, charity, as all surplus proceeds went to the International Bankers Charitable Trust (IBCT). Bolstering the funds of IBCT will enable us to do more for our third aim, education, as the charities we currently support do a tremendous job of supporting children, particularly underprivileged children, with their educational needs.

Since becoming Master, the Company has been involved in two big fund-raising initiatives: HM Queen's Platinum Jubilee Parade and the Disasters Emergency Committee appeal for Ukraine. Members have been incredibly generous for both causes, as I've detailed in a recent e-Update, and for which I express my enormous gratitude. This emphasises our commitment to the aims of the Company and raises our profile within the livery movement and the civic City substantially.

Alongside our principal aims is running our ESG agenda. Our aim is to review our Environmental, Social/Societal and Governance structure to ensure that it is fit for purpose. We recognise that ESG is not a "project" but is a way in which all businesses need to operate. Therefore, the Company is reviewing all aspects of its operations through this lens and believes it is well placed to act as a broker of ideas, thoughts and good practice, whilst avoiding "virtue signalling". We will report annually on ESG, this being an important pillar for the next 20 years of the Company.

This edition of International Banker has economic crime as one of its main themes. This is a subject very close to my heart as, for the last five years of my career in international banking, I served as Director for Anti-Money Laundering Compliance and Money Laundering Reporting Officer for Deutsche Bank. I was very closely involved in the development and re-shaping of the UK Money Laundering Guidance Notes post the EU Money Laundering Directives in the early 2000's. It is disappointing to see that, nearly 20 years on, very little progress has been made in many AML areas.

I hope the coverage of the subject in this edition of International Banker goes some way to raising the profile of this area of regulation and that all members improve their knowledge of this important facet of banking and financial services. I look forward to meeting many of you at the events that have been planned this year.

John Bennett

Economic crime: making a difference to a serious problem

IN A YEAR WHEN ECONOMIC CRIME HAS SURFACED AS A MAJOR POLITICAL AND REGULATORY ISSUE IN MOST JURISDICTIONS, A GLOBAL GATHERING MAKES A WELCOME FULL-SCALE RETURN

The Cambridge International Symposium on Economic Crime first convened nearly 40 years ago as a result of widespread concern that both the development and the integrity of the global financial system were at risk from those who engage in economically motivated crime, and those who would assist them. In the words of Professor Barry Rider OBE, Founder, Co-Chairman and Director of the Symposium: "From the very beginning it has been our mission to bring together anyone who has a responsibility to prevent and inhibit such abuse – no matter their background – to better understand the threats and to facilitate cooperation and collaboration in protecting all our economies and societies.

The Cambridge Symposium has, over the years, grown into a unique international platform that makes a real difference to the control of economically relevant crime and misconduct across the world."

Over some 40 years, the Cambridge Symposium has established itself as a unique vehicle for promoting, at a truly international level, greater understanding of the real and practical issues involved in preventing and controlling economic crime, corruption and abuse and thereby facilitating meaningful co-operation.

Professor Rider explains: "The programme for our Thirty-Ninth Symposium has been designed on the advice of many governmental and other agencies around the world to constitute a unique platform for the analysis and discussion of a host of very real issues related to the direct and indirect threats to our security and the stability of our economies as a result of economically motivated and relevant crime and misconduct."

Jesus College, Cambridge and Symposium Founder Professor Barry Rider (inset)

The Symposium aims to cover a very broad range of topical issues. The central theme for this year's programme is the harm to all our societies and institutions resulting from the selling of status and privileged access. "This form of corruption undermines confidence in the integrity and fairness of our systems and facilitates abuse and serious crime," says Professor Rider. "As in previous years we will also address in plenary sessions, but also in specific workshops, a host of other issues related to economically motivated crime and the risks that arise as a result of attempts to address it.

The emphasis is always on the practical aspects and how we might better manage risk and achieve more effective results whether in terms of disruption or through more conventional legal, regulatory and compliance procedures."

Well over 800 experts from around the world – an astonishing gathering - will share their experience and knowledge with other participants drawn from policy makers, law enforcement, compliance, regulation, business and the professions. In considering how to better discourage and control economic crime, participants examine the real threats facing our economies not just from criminals and terrorists, but also indirectly as a result of law enforcement and regulatory intervention.

The Symposium also places these risks and the responses in proper context, not only in terms of the law, but also of regulation and especially compliance practice. In every specialist panel or workshop there is an array of relevant practical experience and expertise. In recent years the Symposium has attracted well over 1,800 participants from over 100 countries. Even last year, still recovering from the pandemic which had resulted in the cancellation of the 2020 Symposium in physical form, the solid, high-level, and global array of speakers and delegates underlined the Symposium's importance in fighting the menace of crime. This year's programme is unique in its topicality, depth, relevance and expertise.

The Symposium is not an ordinary conference - it was conceived to fulfil a very practical purpose which is even more relevant today than ever.

"By promoting understanding of the issues that we all face in preventing and controlling economically motivated crime, we are better able to co-operate and render ours and others' actions more effective and efficient in addressing what are invariably common risks," says Professor Rider.

"Consequently, we make every effort to foster networking and promoting meaningful co-operation. The annual Symposium over the last 40 years has brought together in one of the oldest medieval colleges of the University of Cambridge, ministers, legislators, senior officials, diplomats, judges, regulators, law enforcement, intelligence and security officers, financial intermediaries, bankers, professional advisers, compliance and risk officers and researchers from around the world. This programme is structured to provide a depth and breadth of opportunity - second to none - for those participating in the Symposium to be alerted, not only of existing, but also new threats, and how best to address them."

The Cambridge Symposium is not and has never been just a conference. It is organised on a non-profit making basis by some of the world's most respected academic and research institutions with the active involvement and support of numerous governmental and inter-governmental bodies. Those who are concerned to protect and promote the integrity and wellbeing of their national economy, institution or enterprise – or who are concerned to better understand the risks facing business today, have benefited greatly from this event down the decades.

The organisers are well aware of the value to participants in meeting and discussing particular problems with colleagues on an informal basis. Consequently, through the programme of workshops and in particular during the social activities and in the think tanks, there is considerable scope for discussing specific and particular issues.

Full details of the Symposium are available at crimesymposium.org

TOM TUGENHADT (BELOW) WAS UNCOMPROMISING IN HIS JUNE REPORT FROM PARLIAMENT (SEE PAGE 2) ON "ILLICIT FINANCE" - OR DIRTY MONEY AS HE CALLS IT.

"Illicit finance, as dirty money is politely known, spreads corruption across the United Kingdom and costs every home and every community. It undermines our national security by supporting corrupt and autocratic regimes around the world, subverts our rule-of-law systems to hide and protect ill-gotten assets, deprives the world's poorest communities of resources, prices citizens out of our housing market and infiltrates our academic and democratic institutions. It encourages fraud at home and sees British people, in the UK, victims of the spread of regimes that murder so many of their own people.

Providing a haven for corrupt assets also, acknowledges the Government, "tarnish[es] our global reputation". Illicit wealth from kleptocratic post-Soviet states and other corrupt foreign regimes has long been welcomed in London, and in the Crown Dependencies and Overseas Territories, without question. Despite repeated calls for action, including that of our predecessor Committee in its Moscow's Gold report of 2018, there has been little commitment on the part of successive governments to tackle the problem. With the invasion of Ukraine by Russia, there can no longer be any excuse for continued inaction. After 9/11 there was a concerted effort to degrade and deny access of terrorists to the global financial system. Domestically, the CONTEST strategy was ultimately presented as a whole of government effort to prevent, pursue, protect and prepare, to mitigate the impact of attack. This is precisely the approach we now need to combat economic crime, which seeks to use our financial and economic trading system to manage the resources used for state-led warfare."

Still at the stumps

PROFESSOR BARRY RIDER, FOUNDER OF THE CAMBRIDGE CRIME SYMPOSIUM, ON THE FASCINATING DEVELOPMENTS IN ECONOMIC CRIME OVER THE PAST 40 YEARS

Believe it or not there was a time, not too long ago, when largely informal networks actually provided a surprisingly effective system between agencies for at least prevention and minimisation of harm caused by criminals, albeit rarely leading to court proceedings.

The remnants of empire and the heritage of various initiatives during and after the wars left a relatively rich tapestry across the world of tolerably like-minded souls who were prepared to do their bit. Whether defunct spies, minor merchant adventurers, or simply retired district officer types, these variously willing and competent individuals in an almost "boys' own" manner were often only too ready to respond to an albeit fading sense of what was patriotically the correct thing to do.

As the cold war became colder in some places these remnants were organised into interesting initiatives often rather more committed and able to hold things together than the new governments. Sanctions against South Africa resulted in state sponsored sanctions busting and the moving of many aspects of what we would consider to be economic crime to new levels. The frontline states increasing became victims of activity which deliberately targeted their economic viability. It also became clearer with the faltering of banking structures close to the USSR, particularly in Hong Kong, that state sponsored economic misconduct was not confined to BOSS in Pretoria.

Commonwealth governments, meeting in Winnipeg in 1977, recognised that police force to police force action was inadequate to address these threats and still in many countries the intelligence agencies, for many official purposes, almost did not exist.

Interpol, to the extent it did anything constructive, appeared to prioritise the concerns of northern European police forces. Law Ministers, meeting in Barbados in 1979, accepted the recommendations contained in two reports and established an "agency" to work closely with the General Secretariat of Interpol and with the benefit of diplomatic status throughout the Commonwealth assist in the disruption of economically relevant crime.

With a network of official liaison officers extending well beyond the Commonwealth and including countries such as the USA, Indonesia and even Taiwan, it was years before its time and this was probably its nemesis. With a small expert central staff supplemented from other agencies, it was primarily concerned with developing intelligence from official and unofficial sources including what remained of the colonial 'old boys' network' and within the law acting proactively to

minimise the impact of economic and, after the Law Minister meeting in Sri Lanka in 1983, organised crime.

While this initiative ran for only a decade, it gave birth to the Cambridge Symposium on Economic Crime which is about to hold its 39th annual symposium at Jesus College, Cambridge. To strengthen its network and as it turned out rather forlornly in an attempt to generate greater interest within the international academy, the symposium was launched some 40 years ago, with the support of the University of Cambridge among many others, to promote independent, informed discussion and strengthen understanding and thereby facilitate co-operation.

Before the pandemic, the symposium regularly attracted nearly 2,000 policy makers, diplomats, judges, regulators, law enforcement, security and intelligence personnel, together with financial institutions and their professional advisers with the odd academic or two. In 2020, for the first time, the programme was postponed although a series of presentations were placed on the organising institution's website.

The 2021 programme took place at Jesus College from 5th to 12th September and consisted of both face to face and online presentations. Over 600 participated from some 47 different jurisdictions - quite an achievement in the face of the pandemic.

Each year the organisers select, often on the suggestion of governments, an overarching theme. Last year it was who actually pays for economic crime and who should?

Perhaps not surprisingly there was consensus that we all pay but that more needed to be done to render economically motivated crime less attractive and more attention should be given to increasing the "costs" - risks for enablers and facilitators. It was also recognised that in certain respects, particularly in regard to regulated activity, the state should be prepared to bear more responsibility.

However, regardless of the annual theme, an exceedingly wide variety of other issues are explored not just in plenary discussions but also a great many expert working groups and think tanks. The symposium has never been simply a talking-shop. It has always taken on real issues and involved those at the coal face whether in compliance or enforcement. In large measure its strength and continuity is a result of the fact that it is independent, non-governmental and entirely non-commercial.

The then Lord Chancellor, the Rt Hon Robert Buckland QC MP, who spoke at the 2021 symposium recognised the tangible contribution that the deliberations of those attending have made over nearly four decades. This sentiment was echoed by many other participants including the Attorney-General and Minister for the City. While it would be an exercise well beyond the penning of an editorial comment such as this, to attempt to chronicle even a small proportion of the symposium's referable contributions, not to mention its indirect influence on policy and actions, perhaps a very few illustrations might give, at least, a taste.

An illustration of how far advanced thought and discussion were on such issues as the risk to business presented by organised crime and the importance of focussing on the funding of criminal and subversive organisations is found in the programme for the 5th symposium in July 1987. Indeed, in evidence to Senator Kelly's investigation into the BCCI, prosecutors from New York claimed they had been unaware of the extent of BCCI problems until they attended the 6th and 7th symposia.

By the 8th symposium, the vital importance of risk in managing economic crime was highlighted and the significance of designed compliance. The following year, in August 1991 the 9th symposium, building on this, focussed on due diligence.

The year after, 1992, the symposium concerned itself with "hot, dirty and stolen money" and called for more transparency in the offshore financial sector. In 1993 the symposium concerned itself with improving cross-border co-operation - particularly at the intelligence level and especially in what we then rather optimistically called "the new Europe".

The following year the focus was on corruption, but particularly corruption as a facilitator of crime and the implications that it had for leadership and stability. Indeed, the terminology adopted by the symposium in many cases, such as the "enemy within" has become common parlance. Currently we are seeing a refocusing, for example, in the City on integrity rather than simple fraud and financial crime, something the symposium has been emphasising for at least 30 years.

In 1997 the 15th symposium focussed on the impact of globalisation and in particular the digital dimension. A particular issue was trust in cyberspace. The following year the emphasis shifted to public sector frauds and the responsibilities of financial institutions. Following on, the 17th symposium focussed on banking secrecy and confidentiality as barriers to effective action against economic and organised crime.

In 2000 the overarching theme, somewhat prophetically, was the risks presented to the world financial system, including

by terrorism, and the threat to stability of the economic and social order. The following year the 19th symposium, which was interrupted by 9/11, focussed specifically on the protection of economic stability.

The following year the symposium focussed on the financial war against organised crime and terror and this theme was again taken up in 2003 and 2004 with a specific focus on tracking terrorist related finance. The 23rd symposium looked at the risks to business presented by organised crime and terrorists and the next symposium examined the costs to business and society of enterprise crimes.

The 25th symposium rather dramatically entitled "The Wealth of Nations - at risk" attempted again to look into the crystal ball and identify new areas of risk such as to the environment, and wildlife, to the integrity of management and in particular the dangers of disproportionate compliance burdens on those who look after our money and the problems of corporate liability and responsibility - particularly in addressing corruption and fraud.

Again dramatically perceptively the 26th symposium entitled "Banking on trouble" opened the day after the financial crisis burst. The following year we returned to insider and internal fraud and abuse, including penetration, in the financial sector. The 28th symposium looked at some of the US's "new deal" strategies in the context of promoting integrity and stability particularly in regard to refined compliance. This was followed the next year by drilling down on the issue who in an institution is best placed and should therefore be responsible for assessing and addressing risk? Again the next year we looked at some of the lessons which should, but sadly were not generally, learnt from the financial crisis.

Our 33rd symposium focussed on the limits of the law and the need for better compliance and self-protection and this was followed the next year by "Economic crime - where does the buck stop? Who is responsible - facilitators, controllers and or their advisers?" This was given additional focus the following year by questioning whether those responsible for preventing and controlling economic crime are in fact up to the task?

By the time of the 36th symposium we were focussing, ahead of the legislation, on unexplained wealth. Our two most recent programmes have addressed the importance of realising that fighting economic crime is a shared responsibility within the public and private sectors and what we need is a fairer and more efficacious sharing of the task.

Of course, using our very own crystal ball is one thing, but securing commitment and effective action quite another. We have long belaboured the dearth of interest within the academic world and the hesitation of, in particular, those who actually mind other people's wealth - and their advisers, to step up to the plate in any meaningful sense.

Nonetheless a great deal has changed over the years for the better and perhaps with Her Majesty's 70th anniversary upon us this summer, it is an appropriate time to take stock and examine the good and not so good progress in protecting our economies and what might be ahead of us.

The Symposium consistently attracts the most senior speakers in its world. The Lord Mayor has spoken almost every year for the past decades. The most senior lawmakers, law officers, regulators and business and finance leaders flock to Cambridge every year.

Sir Robert James Buckland KBE QC MP, then UK Secretary of State for Justice and Lord Chancellor, addressing the 2021 Symposium.

Strengthening and simplifying anti-money laundering in the UK

ALDERMAN AND HONORARY FREEMAN PROFESSOR MICHAEL MAINELLI ON THE CITY'S WORK TO COMBAT THE SCOURGE OF MONEY LAUNDERING

My Brother Sheriff Chris Hayward CC and I chose "Primacy of rule of law" as our shrieval theme for 2019-2021. Connecting this primacy with ordinary business people, we chose to use the convening power of the Sheriffs' office to promote discussion around "strengthening and simplifying anti-money laundering" (AML) in the UK. This is based around a core challenge increasingly important to the economic health of the UK: "If the UK is open for business, then try opening a bank account."

Not much has changed since a City of London report[1] in 2005 concluded:

- International requirements on AML are implemented more rigorously in the UK than in other jurisdictions and the related costs are higher;
- The high costs in the UK do not generate greater benefits to UK-based organisations;
- Despite the high costs in the UK, the fight against money-laundering is not seen as more effective in deterring or detecting money laundering;
- The UK has not yet become competitively disadvantaged due to the high costs but it is approaching a tipping point;
- The UK can become more effective at deterring money laundering by raising the perceived likelihood of money launderers being caught and the perceived severity of the punishments.

We noted that research so far concludes there is no pressing need for new legislation, it's merely that firms and regulators need to work harder on ensuring simple and effective interpretation. Andrew Marsden, Chairman of the Financial Services Group of Livery Companies, volunteered to lend support. Graeme Gordon, Master of the Chartered Accountants, working with Kate Surala, formed a Taskforce to support this "strengthening and simplifying" initiative. The Taskforce took the discussion forward towards concrete ideas, pointed out to major financial institutions that the nation is watching their performance in aid of trade and engage with them regarding the proposals, galvanised relevant trade bodies to support the initiative, and pushed relevant livery companies to support as they saw fit, especially the 15 members of the Financial Services Group of Livery Companies. The Taskforce ran from 27 September 2019 to 27 September 2021.

The Taskforce and the Sheriffs delivered:

- Information at Old Bailey luncheons – the Law Society provided background information sheets on the topic with suggestions for improvement;
- Topic luncheons – we hosted several luncheons where the invited guests represented several aspects of the issue, e.g. financial institutions, professionals, regulators, lawyers;
- Evening events – we hosted a gala panel and drinks event with the Financial Services Club to discuss the issues openly on 19 November 2021. Some 150 people discussed the topic; the financial crime director of one major insurance broker said afterward that "The event yesterday was the first time I felt amongst people of similar views and I could not let the opportunity pass to possibly drive forward some significant change in this arena.";
- Seven webinars;
- Presentations at the 37th and 38th Cambridge International Symposia On Economic Crime – Michael Mainelli and Chris Hayward on

"Economic crime" 7 September 2020, both videos available via crimesymposium.org, and Michael Mainelli. "who pays and who should pay?" 6 September 2021.

- A global survey of AML issues[2] in which 2,274 financial professionals around the world rated the effectiveness of approaches to AML. The results show a significantly greater emphasis on government digital certificates since the covid-19 pandemic; and
- A free online bulletin[3]

Along the way, discussions were held with Equifax, Monzo, Metro, the Law Society, ICAEW, PIMFA, LMG, Bloomberg, World Federation of Exchanges, Cabinet Office Digital Identity team, Ministry of Justice, BEIS, UKAS, and HMRC, amongst others. In short, all agreed that the issue is pressing and stated that they would like to increase the volume of the dialogue. A significant push is to move from a handful of institutions who have realised that current legislation provides significant procedural options to many institutions. For example, why can challengers take a passport "selfie" and then use further information services to onboard most applicants swiftly, while established firms don't?

RECOMMENDATIONS

Over 24 months, the following recommendations were compiled to help strengthen and simplify anti-money laundering:

- Testsets – promoting and hosting a repository of anonymised, open source databases for testing AML systems. Such testsets would evaluate automated systems' accuracy against real-life data by measuring the rate of false positives and false negatives;
- Amnesties – promoting discussion of whether a dirty money amnesty (over what areas and what period of time?) might allow firms to speed up their AML processing;
- Suspicious Activity Report (SARs) feedback – encouraging law enforcement officials to provide more feedback on which SARs help and which don't, including perhaps a testset of "good SARs" and "bad SARs". In August 2019, Jim Richards, former global head of financial crimes risk management for Wells Fargo usefully asked – "Can we produce fewer alerts and have it cost less and investigate fewer cases and file better SARs? The answer to that is maybe — but we don't know what a better SAR is";
- Using accreditation – kitemark(s) such as those accredited by the United Kingdom Accreditation Service could be an aspiration for firms want to meet account opening and service standards. This approach was taken by www.fairbanking.org.uk on bank accounts that were fair and trustworthy. A more basic offer might be to encourage the sharing of "how to" processes to move towards a better understanding of good practices;
- Government digital certificates – providing digitally certified electronic documents as a matter of course for transaction results ranging from export certificates to tax returns to drivers' licences;
- Encouraging data sharing among certifiers – new technologies such as smart ledgers provide mechanisms for sharing identity and other AML documentation, but their true power can only be realised if firms agree to share data with consumers' permission;
- Encouraging discussion about "indemnity" among certifiers – if I use your certification documents and they turn out to be incorrect, how much obligation do you have towards me. This could lead to discussions about mutual fault insurance;
- Encouraging discussion with regulators about 'fixed fines' – in line with indemnities, getting regulators to provide a pre-determined scale of fines, e.g. £1,500 per poorly on-boarded client, would encourage better information sharing and also permit robust cost-benefit analysis. Adjusting the fines over time would be a more subtle regulatory tool in line with risk-based compliance;
- Digital ID infrastructure – while seen to be a "third rail" in the UK after the 2006 ID card debacle, as well as many subsequent attempts, virtually everyone looked to government infrastructure support for personal and business identity. Infrastructure support did not necessarily mean the government actually providing personal or business identity, rather setting out standards for inter-operability and using the infrastructure itself.

And yet ... what seems to be missing most is leadership and cooperation. This is where the International Bankers could be of enormous help, putting pressure on firms to deliver a superb service so that the UK is open for business because accounts can be easily opened.

Michael Mainelli is Executive Chairman of Z/Yen

1 tinyurl.com/46j258nv

2 tinyurl.com/29j7jc6h

3 tinyurl.com/46j258nv

Michael Mainelli

Greenwashing and the struggle for net zero

FREEMAN SIMON THOMPSON
OF THE CHARTERED BANKER INSTITUTE

In the face of the climate challenge, the world has seen important intergovernmental and national policy and regulatory measures, and finance sector initiatives seeking to address climate change and accelerate the growth of green and sustainable finance. To be truly effective in aligning finance and sustainability, however, international, national and industry frameworks, principles and initiatives need to be translated into meaningful action by the finance sector.

This will require banks, insurers, investors and other organisations to embed green and sustainable finance principles and practice into their strategies, operations and activities so that – as set out by Mark Carney in the COP26 Private Finance Strategy – " ... every financial decision takes climate change into account."

Whilst every competent organisation has a strategy, sustainability may not at present be incorporated in the development and implementation of organisational strategy, in terms of:

- How climate change and broader environmental and social sustainability factors will impact on the demand for the organisation's products and services, creating both challenges and opportunities;
- How climate change and broader sustainability factors will affect the organisation's operations, including impacts through its supply chain, and its ability to recruit, retain and motivate the staff it needs to support its activities;
- The impact of the organisation's chosen strategy, as expressed through its products, services and operations, on the environment, and on society more broadly;
- The organisation's ability to attract the financing it needs, and the cost of that financing; and
- The long-term impact on desired financial and other returns to owners, investors, employees and other stakeholders.

"LIGHT GREEN" STRATEGIES AND "GREENWASHING"

"Light green" strategies are those in which green and sustainability factors are not central to an organisation's strategy and operations. They serve as additions to a strategy that does not have a green and sustainable vision and purpose at its core. Whilst organisations may display genuine and well-intentioned commitments to avoiding harmful activities and supporting the transition to a low-carbon world, in practice such commitments may not always be embedded within their

purpose and strategy. In some cases, commitments may prove to be little more than marketing-led activities that make organisations appear greener than they are in practice.

The following examples illustrate what might be considered as light green strategies:

- An energy company creates a new green strategy focusing on their administrative processes, such as encouraging greater energy efficiency and recycling in company offices and increasing their use of videoconferencing rather than flying to internal and client meetings. Their central business operations are untouched and rely on fossil fuel CO2 intensive extraction.
- A $1billion investment fund announces that they will invest $100 million in renewable technologies. The rest of their investment portfolio remains untouched, including investments in high-carbon sectors and firms.
- A no-frills airline enables passengers to pay for a voluntary carbon offsetting scheme whilst increasing its expenditure on fuel to serve expanding flight operations.
- A fossil fuel company issues a green bond to demonstrate its green credentials and the steps it is taking to support the transition to a low-carbon economy.
- An oil company highlights its investments in carbon capture and storage (CCS) research to imply that this makes oil consumption compatible with meeting climate change commitments.
- A fast-food chain, which sources meat and materials from companies which contribute to deforestation in the Amazon, announces that its plastic drinks bottles are recyclable.

Light green strategies, particularly those that are marketing-led and designed to give a misleading impression of an organisation's commitment to green and sustainable operations can lead to charges of greenwashing. This can be defined as "... making false, misleading or unsubstantiated claims about the positive environmental impact of a product, service or activity".

In the context of strategy, greenwashing indicates that organisations are giving the illusion of supporting green and sustainable principles whilst not fundamentally adapting or changing their activities, behaviour and culture.

In the organisational context, there are two general types of greenwashing:

i. When the efforts of a company to be green make a small, positive difference, but that contribution is insignificant relative to the harm or damage caused by the company's core activities, as exemplified by the examples of the energy company and fast-food chain above
ii. When the efforts of a company to be green and sustainable are not green at all and make no difference to (or may actively harm) the environment, for example when a 'green' bond is used to finance slightly cleaner coal power.

Central to understanding whether or not an activity is really 'green' and 'sustainable', involves considering whether it has a genuinely positive and additional impact on the environment and/or society, and whether that impact would have occurred anyway without that activity taking place. This is where initiatives such as the EU and other taxonomies are key, as they provide a basis for a common understanding of whether an activity is "green" and "sustainable", or not.

Greenwashing is a real risk to the long-term viability of green and sustainable finance, and to the development of green products and services in finance (and to the transition to a sustainable, low carbon world in general). If investors, lenders and consumers lack confidence in the integrity of organisations, activities, products and services labelled as green" and "sustainable, then organisational and individual behaviour is unlikely to shift at the pace needed to achieve net zero by mid-century, in line with the objectives of the Paris Agreement. This is a particular concern in the retail investment market, given the rapid growth of funds labelled as green, sustainable, ESG and similar.

One high-profile example of greenwashing was the Volkswagen diesel emissions-testing scandal, exposed in 2015.

Software embedded in engine management systems was used to detect and "cheat" emissions tests to make Volkswagen's cars appear more environmentally friendly than they were. In this example, it appears that greenwashing was intentional; in other cases, it may occur inadvertently, but the long-term impacts on consumer confidence and investor sentiment remain the same.

Intergovernmental bodies such as the UN and EU, national governments and finance sector initiatives bodies play important roles in identifying green and sustainable products, services and activities. They do this by developing and enforcing:

- Classifications, for example the Green Bond Principles and Climate Bonds Standard;
- Taxonomies, for example the EU Taxonomy for Sustainable Activities;
- Regulation to ensure investments are appropriately described, and not mis-sold, for example the EU's Sustainable Finance Disclosures Regulation (SFDR); and
- Labelling systems, such as that proposed in the EU for investment funds.

These can bring consistency to the market and enhance investor and consumer confidence but are - in many cases - still in development or are voluntary. At present, civil society organisations, particularly environmental NGOs, and individual activists play key roles in preventing greenwashing.

They do this by identifying and "naming and shaming" organisations, activities, products, and services that could be accused of greenwashing, and in some cases organising campaigns and boycotts against companies - examples include Ethical Consumer and Truth in Advertising.

Finance professionals also have an important role to play in ensuring market integrity, with a moral and professional duty to be honest with themselves, and with customers and colleagues about the genuine or other nature of products and services labelled as green and/or sustainable. Green and sustainable finance professionals should actively avoid being involved in greenwashing, whether intentional or inadvertent. And they must take active steps to be assured about the genuine green and sustainable credentials of organisations, activities, products and services, and must not overstate the benefits of, or avoid disclosing harm caused by these.

"DEEP GREEN" STRATEGIES

In contrast to light green strategies, deep green strategies are those in which green and sustainable principles and practices are fully embedded in and direct the strategy and operations of an organisation.

An organisation with a deep green strategy aligns its vision, purpose and culture with mitigating the effects of climate change, and supporting the transition to a sustainable, low-carbon world. These may be the main drivers of an organisation's strategy or form an important part of a wider strategic purpose, for example aligned to one or more of the UN Sustainable Development Goals.

Once determined, a deep green strategy can be embedded throughout an organisation's activities, operations, supply chain, policies, procedures, products and services, and thus becoming part of, and supporting, an organisation's culture.

There are many organisations with a genuine, deep green approach to strategy. Outdoor clothing manufacturer Patagonia is perhaps one of the best-known brands with a genuine deep green approach.

Products and services can – and in a genuine deep green strategy will – be designed to deliver both financial and environmental and/or sustainability returns. As with organisations themselves, products and services can be light or deep green. Understanding how to develop, assess and evaluate the green credentials of products and services and working with suitably qualified experts able to verify environmental and other sustainability impacts is a core part of many green and sustainable finance professionals' work.

To maintain confidence in the integrity of green and sustainable finance, green and sustainable finance professionals should take active steps to ensure that their professional activities and, as far as possible, those of their colleagues and organisations as a whole are aligned with and support the transition to a low-carbon, sustainable world – that is, adopt a 'deep green' approach themselves. This involves, at a minimum, ensuring that products, services, and advice offered is consistent with promoting this transition and that financial activities that may harm the environment or society are identified and disclosed, if not avoided.

Green finance and "sustainability" professionals have a particular responsibility to avoid deliberate or inadvertent greenwashing and should take active steps to ensure their advice and activities do not in any way damage the integrity of the green and sustainable finance profession.

Simon Thompson is Chief Executive of the Chartered Banker Institute, which runs a major programme on green and sustainable finance. See charteredbanker.com

Simon Thompson

Transforming the landscape of social and sustainable investing

LIVERYMAN OMAR MAJID OF SALONICA CAPITAL HAS COMPLETED RESEARCH AT CAMBRIDGE UNIVERSITY INTO THE BARRIERS TO INVESTMENT IN SOCIAL CAUSES

According to estimates, $2.6 trillion are required annually to meet the Sustainable Development Goals (SDGs) and there is a particularly large funding requirement for investing into assets and projects which contribute to social "good". However, even within sustainable forms of investing, social impact-led investments have lagged behind those with a "green" or environmental focus. Given the scale of the global capital markets even a small asset re-allocation to sustainable investments could have a transformative impact. Therefore, the linkages between investors, seekers of funding and other stakeholders require exploration, particularly how capital can be allocated towards social impact-led investments.

There is an extant body of literature which identifies key barriers to sustainable types of investments, including impact investments and social impact bonds. However, despite this, impediments to invest still abound. Furthermore, the current literature does not explore the "root causes" of their existence. This study firstly seeks to identify the barriers and opportunities to investment into social causes via a literature review. Thereafter, two barriers where behaviour is potentially a key driver were selected for further exploration.

The uniqueness of this research lies in the fact that the barriers are analysed using a behavioural framework – the Theory of Planned Behaviour (TPB). A multi-stakeholder approach was also adopted, with subject matter expert investors, issuers, structurers, and ratings analysts interviewed. This resulted in the collection of rich data and allowed unique practitioner insights to be gained.

It was found that the two primary barriers identified in the literature review – market returns and investor demand – had strong behavioural drivers. Attitudes and subjective norms to forming a behavioural intention were positive, however there were several perceived and actual control factors which impeded the intention to invest in social causes.

The most significant of these were market liquidity, stakeholder controls, and views that environmental led investments had been prioritised over social impact-led investments. Covid-19 was seen as an opportunity to change behaviour positively to invest into social causes.

The Theory of Planned Behaviour was an adequate framework for explaining the behavioural drivers of the primary barriers, while also confirming the existence of other barriers – both extant in the literature and others – which acted as perceived or actual behavioural controls.

Thus, the research was able to better define and understand the key levers to facilitating investment into social causes. There were some shortcomings, namely the TPB model was not able to define the symbiotic relationship which exists between actual behavioural controls – such as Covid-19 - and attitudes and subjective norms.

Omar Majid

There were four primary recommendations, which look to affect the cultural milieu and regulatory environment to inculcate the behavioural controls identified in the literature, and eventually increase investment in social causes:

1. Covid-19 is an opportunity for governments and civil society to affect culture, change behaviour, and bring social impact-led investing back to prominence.

2. Institutions view fiduciary duty as maximising shareholder value. Legislators and regulators need to loosen this definition to allow for other types of value creation and promote social led investing.

3. Positive stakeholder engagement across the whole value chain is needed to create behavioural change amongst key decision makers.

4. The lack of standardisation over impact measurements creates

confusion and detracts from market returns. It negatively affects behaviour to invest into social causes, particularly amongst "financial first" investors.

The cumulative total of global wealth represents a substantial source of funding which could solve many of the environmental and societal issues which negatively impact our planet. However, the fact that such issues still abound suggest that there is a funding gap and investment is not being allocated to assuage such matters. Therefore, the linkages between investors and those seeking funding, require exploration, particularly how capital can be allocated towards investments that accrue social benefits. It needs to be understood if and how capital can be directed towards social investments by overcoming barriers and harnessing opportunities to increase social led investments. Therefore, both endogenous and exogenous barriers and opportunities which affect social impact-led investment need to be explored. For example, is there a lack of investor demand? If so, why?

SOCIAL CHALLENGES

There are a plethora of social challenges which abound globally, for example the healthcare gap in Asia alone is $1.8 trillion according to Swiss Re (2018). Concurrently, according to the UN, $11.5 trillion is required annually to meet the SDGs globally, with an annual funding gap of around $2.6 trillion.

While sustainable investment strategies have increased in popularity over the past few years, it still makes up a small proportion of the overall market. In particular, investment into social related issues remains low. In 2018 social bonds constituted less than 0.3% of all new debt issuance, while in the UK, social impact bonds made up less than 1% of the estimated £15 billion total. The challenge may seem insurmountable. However the total value of global financial assets is $294 trillion, while total debt issuance globally in 2018 was around $11 trillion. So even a small slice of that can have a transformative effect on sustainability.

SUSTAINABLE INVESTING

Sustainable investing goes by many names and definitions and encompasses several overlapping trends and terms, among them values-based, socially responsible and impact investing. Sustainable investing includes socially responsible investing (SRI), or social investment, socially conscious, "green" or "ethical" investing. According to The Forum for Sustainable and Responsible Investment in 2020, "Sustainable, responsible and impact investing is an investment discipline that considers environmental, social and corporate governance (ESG) criteria to generate long-term competitive financial returns and positive societal impact." In summary, "sustainable investing" covers any investment strategy which seeks to consider both financial return and the creation of social and/or environmental change regarded as positive by exponents.

There are many products and investment styles that claim to come under the remit of "sustainable investing". The landscape can be confusing with different terms used for the same product type. Many investment styles are centred on ESG metrics. The three primary parameters that investors will use to invest sustainability are via exclusion, integration and impact. The variety of investment styles can be best exemplified by the spectrum of capital model which divides investors into 5 categories.

For a copy of Omar's full dissertation, please mail him on omar@salonica-group.com

	Financial-only	Responsible	Sustainable	Impact			Impact-only
	Delivering competitive financial returns						
		Mitigating Environmental, Social and Governance (ESG) risks					
			Pursuing Environmental Social and Governance opportunities				
				Focus on measurable high-impact solutions			
Focus:	Limited or no regard for environmental, social or governance (ESG) practices	Mitigate risky ESG practices in order to protect value	Adopt progressive ESG practices that may enhance value	Address societal challenges that generate competitive financial returns for investors	Address societal challenges where returns are as yet unproven	Address societal challenges that require a below-market financial return for investors	Address societal challenges that cannot generate a financial return for investors
Examples:		• PE firm integrating ESG risks into investment analysis • Ethically-screened investment fund	• "Best-in-class" SRI fund • Long-only public equity fund using deep integration of ESG to create additional value	• Publicly-listed fund dedicated to renewable energy projects (eg. a wind farm) • Microfinance structured debt fund (eg. loans to microfinance banks)	• Social Impact Bonds / Development Impact Bonds	• Fund providing quasi or unsecured debt to social enterprises or charities	

Source: Bridges Fund Management

Corporate political responsibility grows its global wings

THE MORAL AND POLITICAL CHALLENGES THAT BUSINESS AND FINANCE LEADERS FACE GREW RAPIDLY WITH THE RUSSIAN INVASION OF UKRAINE

The Ukraine war accelerated an already-growing trend in corporate and investment life – towards "corporate political responsibility". Many organisations sought to weigh in against the invasion of Ukraine by removing their services from Russia or shutting their operations there. This was part of a seismic shift in boardroom thinking, in both banks and their customers, about the need to engage with ethical, political and social issues which in the past were off the organisations' radars. Now, they have come fast over the horizon and are rushing towards many corporates in finance and otherwise.

Speaking up against perceived wrongs outside the corporate world brings with it risks, but so too does inaction. Corporates that were slow to distance themselves from Russia bore the public relations brunt for their inaction, not least from employees of global firms.

Writing in a special survey in March 2022 of corporate activism in FT Moral Money, Chris Pinney of High Meadows Institute said: "The saying 'with great power comes great responsibility' sits well with the moral and political challenges that business leaders face today. Large companies are among our most successful international institutions. More than half of the top 100 economies by revenue are global corporate and financial firms whose impact, reach and resources exceed that of some nations.

"It is hardly surprising, then, that society looks to business to take a greater lead as well as more responsibility. Sixty-eight per cent of respondents in the 2021 Edelman Trust Barometer global survey believed that chief executives should step in when a government does not fix social problems. Sixty-five per cent said that CEOs should be accountable to the public, not just to directors and stockholders. Trying to meet these expectations takes us beyond ESG to questions over the role that business already fills in the governance of society – and the part it needs to play."

There are no consistent metrics for corporate political engagement – yet – though for those that there are (such as direct political spending and support for parties, and lobbying) there have long been calls for greater transparency and disclosure. Some caution against further political engagement by investors. BlackRock's Larry Fink, for instance, in his latest missive to chief executives, while lauding purpose and coherent long-term thinking in investee companies, warned that "stakeholder capitalism is not about politics." Terry Smith, the UK fund manager, declared in January 2022 that Unilever had "lost the plot" in spending too much time and effort on climate and social matters.

But pressure from employees, consumers, and investors, probably in that order - though the latter category, the investors, is growing – is forcing corporates to think beyond their balance sheets. "Materiality" – a word beloved of accountants for generations – is a key concept here. In this arena, of responsibilities that are broader than purely corporate, it means a focus on what is likely to add value to a business and what could be a risk to sustainable success, or indeed survival.

IBM has historically used five "guidepost questions" to decide whether it should engage with issues:

- Is the issue directly linked to the business?
- Does the company have a record of engaging with it?
- What are its stakeholders – employees, customers, investors – saying about it?
- What is the competition doing? And
- Can the company make a meaningful difference on the issue in hand?

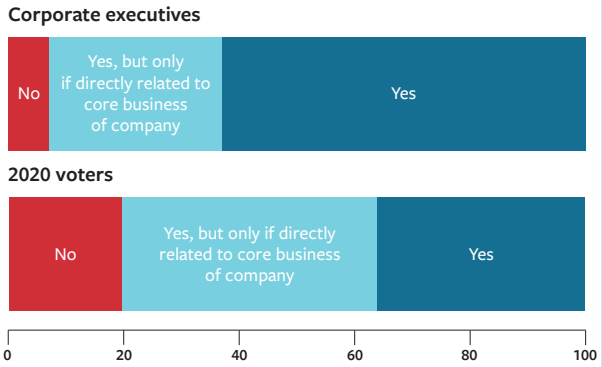
But some issues matter when they are beyond those borders. Take abortion, for instance, a deeply polarising issue in many countries. A 2018 poll in the US asked whether they would feel better or worse about a company if it supported stricter abortion restrictions. 30 per cent said they would view it more favourably; 36% less so. In short, any company taking a stand on this issue – albeit an extremely contentious and difficult one – would face problems whichever way it jumped.

Surveys in the US are much further developed in this area than in other countries, reflecting deep-rooted concerns about how modern capitalism should work in its home country. A survey conducted in 2021 by Brunswick, a public relations adviser showed wide diversity between voters and corporate executives.

The same Brunswick survey pointed to a strong a perhaps counterintuitive divide in American society between corporate executives and those who had voted in the 2020 election:

US voters are more wary than executives about companies taking political positions

"In general, should companies speak out on social issues in American life?" (%)

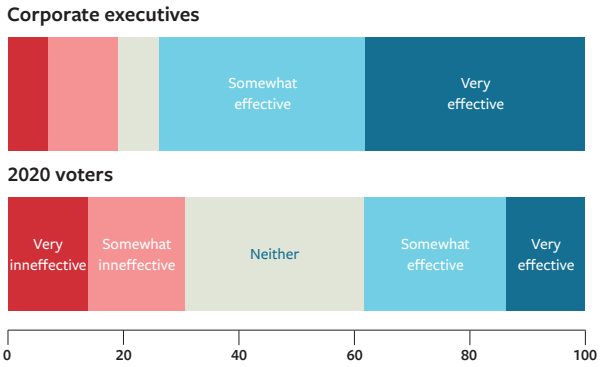


Source: Brunswick, 29 Sep to Oct 7 2021; Financial Times

And executives had a rather higher opinion of their clout when speaking out than the electorate:

Executives are far more convinced than voters that their interventions are effective

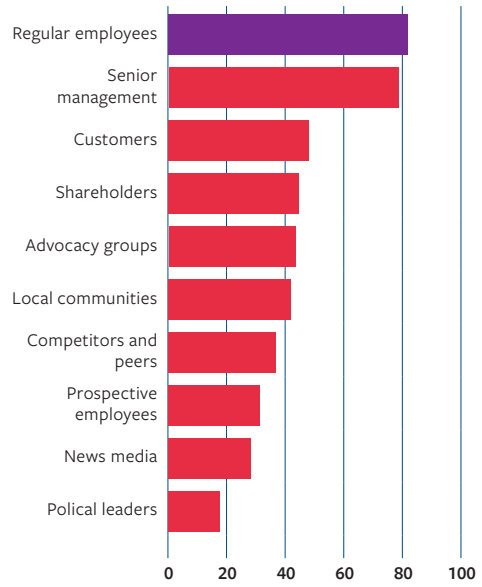
"How effectively do you think companies are speaking out on social issues?" (%)



Source: Brunswick, 29 Sep to Oct 7 2021; Financial Times

Companies feel most pressure to weigh in from their own people

"Which stakeholders have influenced your company's decision to get involved in social issues?" (%)

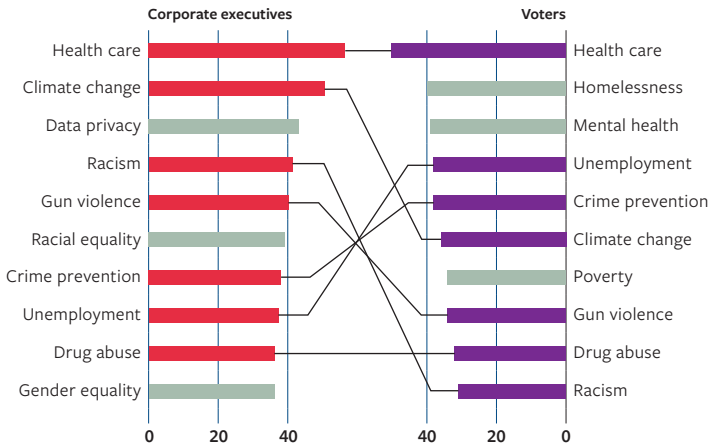


Source: Public Affairs Council

For the moment, colleagues and customers matter most, but indications are that shareholder engagement is growing rapidly, especially in the wake of events in Ukraine at the beginning of 2022, and will soon be part of the top three.

Executives and voters also disagree on what counts as an important social issue

"Which of the following would you consider to be the most important issues in American life?" (%)



Source: Brunswick, 29 Sep to Oct 7 2021; Financial Times

Freeman George Littlejohn is Editor of The International Banker and Senior Adviser at the CISI

Pick yourself up, dust yourself down – resilience rules now in force

FREEMAN FRANK BROWN ON THE NEW RULES ON OPERATIONAL RESILIENCE, AND HOW BOARD AND EXCO MEMBERS MUST RESPOND

The first phase of the new UK operational resilience rules came into force on 31 March 2022. By this time, all firms in scope should have "identified their important business services, set impact tolerances for the maximum tolerable disruption and carried out mapping and testing to a level of sophistication necessary to do so".

Going forwards, the regulators can request and review a firm's self-assessment documentation – both as part of "business as usual" (BAU) supervisory activity, and in the event of an incident occurring. And firms should be mindful of the 'baked-in' risk that brings. The self-assessment is effectively an attestation, an evidentiary document that will be used by the regulator to assess how well the firms has quantified and controlled the risks.

Feedback from the regulators has been that whilst some firms have implemented the requirements effectively, many more are struggling to demonstrate that they have effective processes in place. In particular, the regulators have highlighted a lack of evidence of how criteria have been arrived at and decisions made.

INCREASED PERSONAL LIABILITY

The operational resilience rules bring with them increased risk to firms and also to individual senior managers. This increased personal liability has often been overlooked by those Board and Exco members who have overseen the programme and have approved the outputs. If things do go wrong in the future, and an outage occurs, senior managers should expect some challenging questions from the regulator:

- Why aren't your plans and procedures up to date?
- Why didn't you think that business service was important?
- How did you arrive at the conclusion that X rather than Y was an appropriate impact tolerance?
- What was your consideration of the impact on vulnerable customers?
- Why have you not been able to resolve this issue within the timeframes you set yourself?
- What is the reason why have you not already fixed this weakness; you identified it some time ago?
- Why did you not obtain sufficient assurance from your third party provider, that this process was resilient?

If senior managers are not able to demonstrate they have taken what the regulator considers to be "reasonable steps" to improve the resilience of the organisation, the FCA has the options to take action under SMCR rules. Therefore, individual senior managers should ensure they can demonstrate they are meeting the CONCON requirements, such as:

- SC1: You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively
- SC3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively

And whilst much of this responsibility will fall on the CTO/COO, it is important that the whole of the Board and Exco play their part. One of the unintended consequences of SMCR has been a weakening of collective responsibility - a view that if it is not in my Statement of Responsibility,

Frank Brown

it's not my problem. But this "leave it up to ops" attitude will not build and maintain an effective operational resilience framework.

Firms should ensure that whilst responsibility is held by individuals, the entire board and exco recognise their accountability.

Particularly those individuals who will have influence over outcomes, but not be directly responsible for them. For example – it is inevitable that the initial self-assessment report will highlight the requirement for some further investment in infrastructure. If the CFO (SMF2) won't loosen the purse strings to pay for it, what 'skin in the game' do they have if an operational failure happens in the future?

OPERATIONAL RESILIENCE AND SCOPE CREEP

The Operational Resilience rules apply to:

- UK banks, building societies and PRA-designated investment firms.
- UK Solvency II firms, Lloyd's and its managing agents.
- UK recognised investment exchanges.
- Enhanced SMCR firms.
- Firms authorised under the Payment Services and Electronic Money regulations.

However, all firms should be mindful of the fact that FCA is already using the language of Operational Resilience to challenge firms on the appropriateness of their controls and their response to incidents and customer service failures. And not just for firms in scope of the requirements. The FCA handbook provides plenty of leeway for the regulator to challenge firms, using the existing rules:

- Principle 2 - A firm must conduct its business with due skill, care and diligence.
- Principle 3 – A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.
- The Threshold Conditions (COND) and the expectations on the maintenance of adequate non-financial resources.
- SYSC requirements e.g. SYSC 4.1.1R(1) "A firm must have robust governance arrangements, which include a clear organisational structure with well defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks it is or might be exposed to".
- The SMCR rules as discussed above

There are also the forthcoming consumer duty requirements.

CONSUMER DUTY

Whilst most firms are seeing Consumer Duty as a separate regulatory requirement, there is a clear linkage with Operational Resilience (and one which the regulator has noted). Under the new Consumer Duty principle, firms that manufacture or supply products for retail customers will have to give much greater consideration to the robustness of their service delivery frameworks.

Whether firms are in scope of the Operational Resilience rules or not, they will need to consider how they:

- Prevent foreseeable harm
- Ensure customers can meet their financial objectives
- Meet the requirements of the Customer Support outcome

It is in the interaction between the Consumer Duty outcomes and the cross-cutting rules where firms may find that a lack of operational resilience leads them to breach the principle:

- The lack of effective oversight of a third-party service provider results in a service not being delivered.
- A customer contact centre is overwhelmed with calls, because of understaffing or insufficient forecasting of demand.
- An IT platform that cannot cope with the volume of enquiries, and crashes – leaving customers unable to access services.
- An outage that occurs, because an IT system has not been maintained, or a software update has not been adequately tested.

All firms should recognise that the Consumer Duty requirement to avoid 'foreseeable harm' is a far lower bar than the 'intolerable harm' of Operational Resilience.

NEXT STEPS

As noted, the regulators have highlighted the failures they have already seen in the market.

March 2022 is assuredly not the end date of the operational resilience journey. Firms should be taking the learnings from the testing and process mapping and progressing the project plan to ensure future resilience.
The self-assessment will be a living document, reviewed each year by the Board, and updated as changes occur within the business or there are lessons learned from any operational incidents which have occurred.

The next milestone in the operational resilience journey is March 2025, whereby firms will be expected to have "have performed mapping and testing so that they are able to remain within impact tolerances for each important business service. Firms must also have made the necessary investments to enable them to operate consistently within their impact tolerances".

However, the rules apply from now. And whilst firms are not expected to present their Self-Assessment to the regulator, firms should consider their Principle 11 obligations, and the need to inform the regulator if the Operational Resilience exercise has uncovered significant issues within the business.

Frank Brown is a Partner in Hogan Lovells

As operational resilience was a project undertaken at pace, it would be prudent for firms to take an opportunity now to reassess the deliverables against the requirements and assure themselves that their response is fit for purpose. In particular, around ensuring that they can evidence and justify the decisions made in the self-assessment document.

John Bennett: a man for all seasons

THE MASTER HAS HAD A WIDE-RANGING AND VIBRANT CAREER SPANNING BANKING, THE ARTS AND CITY GOVERNANCE

John Bennett was born and raised in Leicester. He was educated at the local grammar school and Christ Church, Oxford, where he graduated in biochemistry in 1967. After leaving Oxford, John qualified as a chartered accountant with Arthur Andersen in 1970. He spent the next 35 years in various roles in international banking in London and Jersey with Citibank, Hill Samuel and Deutsche Bank. During this time, he developed a keen interest in regulation and compliance. He retired from Deutsche Bank in 2005 after serving as Director of Compliance and UK Money Laundering Reporting Officer. John is a long-time Fellow of the Chartered Institute for Securities & Investment.

He has seen interesting times in finance. "By the beginning of the 1990s, Citi was in dire straits. The share price was down to $10. I was head of compliance, and regulation and compliance were moving upwards and outwards. I was arguing for more people but the bank didn't want to know – there was no scope for a numbers increase." Citi went down the route of making him redundant and replacing him with his deputy, saving money. "Ironically, 12 months later, compliance numbers had had to grow anyway," says the Master now. But while at Citi he had "one of nicest times in my career", as head of the bank in Jersey from 1976-1984 – "a bit of a roller-coaster but enjoyable. As managing director, I ended up as Chairman of Jersey Bankers' Association, very instructive from my point of view."

Then came Hill Samuel, but after the merger of TSB and Lloyds, Sir Brian Pitman, former WCIB Master, and group chair, turned out to be "no lover of merchant banking", so got shot of it. "Two very lucrative brown envelopes led me to Deutsche," the Master smiles now. "I enjoyed Deutsche greatly. Lots going on, left, right and centre, EU regulations and directives, anti money laundering legislation, the works."

He retired in 2005 when "everything started going to hell in a handcart." Six months beforehand, John sought out a second career with the City of London Corporation. He served as Common Councilman for the Ward of Broad Street from 2005 to 2022 (Deputy 2009-2020). He served on many of its major committees and boards including Policy & Resources, Port Health & Environmental Services, and Markets Committees. But his major interests are education and culture. He served on the Board of the Guildhall School of Music & Drama (past Chairman) and the City of London Freemen's School Board (past Chairman), the Culture Heritage & Libraries Committee, the Gresham Committee (City Side), the Barbican Centre Board, and the Education Board. He was a key member of the Cultural Strategy Working Party which developed the City's cultural theme – Culture Mile, and the Education Board which developed the City's strategy for its multi-academy trust.

"Of all the positions that I had, the Guildhall School was the most rewarding." It is one of the very top

conservatoires in the UK, one of the top 10 in the world. "It is embedded in culture of the City. Our students are so enormously talented. Academic staff too – top of their class. It is always a great pleasure to attend performances they put on, especially the Gold Medal competition performance every May."

In the New Year Honours List 2019, John was appointed MBE for his service to the City of London Corporation and education, particularly his service with the Guildhall School. John served as Chief Commoner, the most senior Common Councilman of the City of London Corporation during 2014-15, representing the Civic City and supporting the Lord Mayor.

John has been married to Jane for 51 years and has two sons and four grandchildren. His interests range from the visual and performing arts to bridge, keeping fit and travel.

The future challenges for the City of London

PROFESSOR JOHN RYAN WITH A PERSONAL VIEW ON THE BRITISH RESPONSE TO BREXIT – AND ITS IMPLICATIONS FOR THE CITY OF LONDON

The economic cost of Brexit is becoming clearer to the City of London every day. Paris has become the bloc's top trading hub, while Frankfurt, Dublin and Amsterdam are also emerging as hubs for different financial services specialisms. The EU is in fact keen to repatriate financial business and to build its own capacity: it sees Brexit as a once in a generation opportunity to rewind the clock 20 years. If the UK had got a more comprehensive deal or a higher degree of equivalence, fewer firms would have and will move jobs and activities to the EU. The City of London cannot afford to be complacent. Brexit will over the next few years have a negative impact on jobs, activity, and tax receipts.

The EU Capital Markets Union will eventually lead to an expansion of central clearing of derivatives transactions in the EU. The market for central counterparties (CCPs) is highly concentrated. Although the UK has left the EU, a substantial volume of derivatives transactions denominated in euro are still being cleared via CCPs located in UK. For the EU this poses risks for financial market stability. The European Commission is using a consultation that gathered opinions on how to make the EU more attractive to CCPs, how to reduce its dependence on UK CCPs and how to enhance the supervision of CCPs at European level. It will submit concrete measures, for strengthening central clearing in the EU, in the second half of 2022. This will probably succeed to draw more of the business away from the City of London as the EU gets its act together.

The EU is heavily reliant on the UK in several critical areas such as derivatives and FX trading, clearing, and asset management. This reflects the historic role of the City of London acting as the main financial hub serving the EU. Reducing this reliance will involve a delicate balance of requiring business to be in the EU and encouraging it to develop organically.

Therefore, EU policymakers and regulators are focusing on redefining the framework to improve supervision, monitoring and accountability and building deeper pools of capital and boosting retail participation. Most importantly the need to increase attractiveness, competitiveness and international cooperation will take time.

After the recent tensions regarding the Northern Ireland Protocol, the deeply eroded level of trust between the EU and UK is making a memorandum of understanding on equivalence probably unachievable in the foreseeable future.

For the City of London this means that it will have to adapt to the harsh realities of a hard Brexit, perennial tensions with Brussels and growing competition from European financial centres and from New York.

Brexit, as an economic project, is evidently not going well. In its Spring Statement assessment, the Office for Budget Responsibility confirmed its previous assessment that Brexit has cost the UK 4 per cent of GDP (twice the long-term hit of Covid) with none of the supposed benefits resulting in any material economic contribution. The economic damage has been caused by a decline in trade with the EU, which Chancellor Rishi Sunak was forced to admit was "unsurprising when you change a trading relationship with the EU" and that a change in the relationship "will obviously have an impact". 'Unsurprising to those who thought Brexit would be costly' would be more accurate. Sunak also maintained that the UK was not becoming a less open economy which, given the trade numbers, is obviously nonsense. The UK has not even implemented import checks yet and may have to delay them further. The mounting evidence of the economic damage caused by Brexit ought to be worrying for Boris Johnson's government because the reason taxes are having to go up is because economic growth is so weak.

The impact of Brexit on a resilient City of London has so far been moderate, but much will depend on the EU's determination to reduce its dependence on a third country. What will be the situation in five- or ten-years' time?

The job losses could end up much higher through Brexit but also other factors such as delocalization. The City may diminish in its impact through financial institutions not hiring UK based staff while growing the EU side of the business. The negative effects of Brexit are becoming clearer every day in other parts of the UK economy. This will gradually feed through to the City in form of unannounced decisions where the City loses out where they would have been the most likely winner before Brexit.

Building a career in the teeth of the pandemic storm

FREEMAN TOMMASO LOCATELLI INSTIGATED AND LED A NEW M&A COMPETITION AT IMPERIAL COLLEGE BUSINESS SCHOOL, WITH SUPPORT FROM BLACKSTONE AND OTHER INDUSTRY LEADERS.

My name is Tommaso Locatelli, born on the 14th October 1999 in Italy. I grew up there, where I studied hard throughout my childhood. I was pushed by my dad, an entrepreneur in Switzerland, and by my mom, a teacher of history and philosophy. I lived in Luino, on Lake Maggiore, one hour north of Milan, the financial hub of northern Italy.

I decided to study Business Administration & Management at Bocconi University. It was thanks to a lot of sacrifices that I was able to attend one of the best business schools in Europe. After my second semester of second year, Covid invaded our lives and I, like many others, had to return to my little-known hometown and follow my studies virtually. I was very lucky to have my family by my side. It was like reliving my younger years in primary or even secondary school. So not that bad after all.

Despite this, I didn't have time to see my friends in-person or enjoy the nice long chats that I used to love but, on the other hand, the time gained by not taking the train, tube and tram to go to and from uni every day opened a lot of new opportunities...

I started using LinkedIn more, trying to network as much as possible with people working in the industry, who could help me out on my journey of understanding more about the world of finance. A world that was more elusive now than ever before, as most events had been cancelled or moved online, in the process losing the human aspect you can get from a face-to-face discussion.

During my last semester at university, I juggled: studying for my last 5 exams, following lectures, preparing my final thesis and I undertook two internships, working first in a family office in Switzerland and soon after for an investment banking boutique in Milan. Alongside all of this, I participated in a talent programme ('CEO for1Month' by Adecco Group) in which I ended up in top 16th out of more than 12,000 participants. Covid gave me time, time that I never had previously, to focus my energies on my goals and to try to get the most out of my youth. For over a year now, I've been pushing myself through each limit, trying not to be scared but to embrace every challenge.

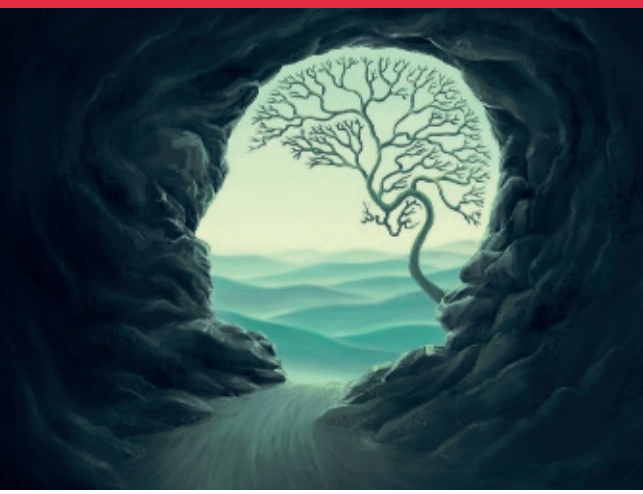
The next step in my journey came in the form of pursuing an MSc in Finance at Imperial College Business School. I have loved every second of it, which could be article itself but the best things? International friends, the chance to live in London, and finally seeing the fruits of my year of networking, thanks in part to Bob Wigley and WCIB. After an invitation from Past Master Bob Wigley, I joined the Worshipful Company of International Bankers, which propelled my network within the City of London (and well beyond).

If there are two key lessons that I learnt along the way it would have to be: "You don't get if you don't ask" and "never judge without knowing". I believe my story showcases the importance of resilience and how even in a bad period (which Covid definitely was) you can get the most out of it. Since joining Imperial, my pursuit of challenges has only intensified. I've been appointed as Careers Leader for my course, Student Ambassador and also Head of Corporate Finance for the Finance Club.

I've co-founded a Switzerland-based association that connects the Private Equity student-led associations from the top-business schools in Europe with other representatives from St. Gallen, Cambridge and Bocconi. I personally organised, over a period six months, the now so-called "M&A competition", the first pan-European intercollegiate competition that gives each team and participants the opportunity to showcase their skills to become an investment banker. The competition is set to start next month.

I connected and established relationships with professionals from top tier Private Equity and IB firms and can proudly announce that I received the confirmed participation of Blackstone, Partners Group. I see a bright future ahead of me. I can't wait to wake up each morning and find out in which ways I can get involved and to really have an impact not only for me but more importantly for my friends and the community I'm part of.

Tommaso Locatelli



Using mindfulness in financial services

LIVERYMAN MARTIN ZETTER ON THE BENEFITS OF MEDITATION FOR PHYSICAL AND MENTAL WELFARE

Concern for the physical and mental welfare of staff is nothing new. The mediaeval guilds of the City of London considered the well-being of their apprentices, although their concern was expressed in prohibitions rather than wellness programmes! The current interest in the practice of mindfulness, and its close neighbour, meditation, is also not a new thing. Mindfulness has been a component of many traditions that go back hundreds, even thousands, of years. However, such practices were largely lost, having been dismissed over time, along with superstitious and mystical practices. The recent change in attitudes towards meditation is probably a result of scientific discoveries. From the mid-twentieth century onwards, academic research has found that high levels of success occur when meditation and mindfulness are regularly used to avoid or manage stress. More recently, the growing validation, from evidence-based medicine, of their physical benefits has aligned with the findings of neuroscience that mind and body are interrelated.

WELLNESS AND MEDITATION

The benefits of meditation were first objectively established in the research of Prof Herbert Benson at Harvard University. Subsequently the supporting evidence has grown, with Prof Mark Williams, of Oxford University, citing over 1,000 research projects. Meditation is now widely accepted as a readily available way to calm the mind, manage stress, and limit the risk of anxiety developing into depression. Many organisations provide wellness programmes for their staff but often fail to provide meditation classes or mindfulness training. The emphasis tends to be on helping staff with mental health issues rather than a preventative approach that focuses on managing mental health wisely. This omission is a missed opportunity, since the benefits of meditation go much farther than managing stress.

FOCUS

One of the greatest sources of stress is the inability to focus on the work at hand. Distractions from emails, social media, phone calls, and the like make it difficult for people to conclude a given task. This results in a sense of frustration—a feeling that work can never be completed—and it narrows the breadth of the employees' thinking, which is needed for the complexities and interdependencies within financial services. Poor focus is also a risk factor in managing operations in a highly regulated industry.

CREATIVITY

Meditation can be used to analyse a problem, plan a programme of work, and enhance creativity. The use of the imagination to generate original ideas and to innovate depends on having – a mind that is alert and relaxed. The more stressed people become, the less creative they are. They start to limit themselves to survival-based solutions. The ability to judge the risks and benefits involved in adopting new solutions to problems is inhibited by negative bias. Wise innovation – surveying and selecting effective solutions from a range of options – is critical to success in fast-moving industries such as international banking and financial technology. Meditation helps to maintain focus and access creativity throughout the day. These are priceless assets for an effective and happier workforce!

GIVING THE RIGHT ASSISTANCE

Rather than hoping staff will find their way to a suitable meditation practice through an app or on the internet, providing meditation tuition ensures a science-based approach designed by a qualified meditation teacher, who can tailor practice to the needs of a particular individual.

CONCLUSION

Meditation and mindfulness are effective tools for managing stress that are supported by scientific research. While many organisations provide programmes for their staff that include mental wellness, they are often non-specific about daily habits for enhancing focus and creativity, and taking a break from stress. Daily use of simple mindfulness tools can fit into the working day of most financial services professionals. Given the current complexities and challenges in our industry, and since the solution is inexpensive and easily delivered, it is an opportunity not to be missed.

Martin Zetter

Summer treats for City opera lovers

OPERA HOLLAND PARK ATTRACTS MANY TOP BANKERS TO ITS CANOPIED THEATRE EVERY SUMMER.

Where in London, any summer's evening, are you most likely to find the glitziest gathering of senior bankers, and a string of their rising young stars? The answer: Opera Holland Park. In this unique setting, in a gorgeous canopied theatre by the remains of 500-year-old Holland House, the cream of the City has been enjoying splendid professional opera since 1988. In 2021, a year into the Covid crisis, the charity unveiled a reimagined auditorium and performance space to reflect the natural beauty of the theatre's setting and to allow for social distancing. Constructed from reclaimed and sustainable materials, it was a near-ideal solution to the challenges imposed by the pandemic. Sustainability informs every aspect of the theatre, with food and drink predominantly sourced from independent companies within a 50 mile radius of Holland Park.

This year, five new productions celebrate the return of summer. New productions of the classic nineteenth-century tragedies Eugene Onegin and Carmen take us from the palaces of St Petersburg to the streets of Seville. The UK premiere of Mark Adamo's 1998 opera Little Women leads to progressive New England, where Jo March recalls her first love in the shadow of the American Civil War. A double bill of Delius's Parisian melodrama Margot la Rouge and Puccini's Gothic fantasy Le Villi contrasts a crime of passion with supernatural punishment, while a coproduction of HMS Pinafore with Charles Court Opera proves that no one can mock English mores more successfully than the English themselves. The City of London Sinfonia returns as resident orchestra for all five productions.

Samuel Dale Johnson (Onegin) and Anush Hovhannisyan (Tatyana) at this year's opening night © Ali Wright

Links with the City are strong, not just in the orchestra pit and in the audience, but on stage too. Nurturing new talent is a key company mission. Alumni of the Guildhall School of Music and Drama, of which our own Master is former Chair, feature prominently in its productions, both in its Young Artists (YA) scheme, and in the main casts. Nearly 20 alumni of Opera Holland Park's own scheme return as principal artists in the 2022 Season. As James Clutton, CEO and Director, says of this scheme and emerging talent generally: "we grow our own." "They don't just come back to us - they go on to work with Glyndebourne, ENO, ROH, Opera North, Welsh, Scottish, and companies abroad including Frankfurt, Houston, many more." As to where they come from, and Guildhall alumni in particular, there is a surprisingly equal spread of representation from the major conservatoires. Perhaps the best advertisement for Guildhall alumni this year is Thomas Mole, a 2019 Young Artist, who won the Guildhall Gold Medal last year and is returning as Escamillo in Carmen this summer." Carmen is directed by Cecilia Stinton, a YA alumna, and the two leads in this year's Carmen had their professional debuts in the chorus at Holland Park.

"The YA project feeds into everything we do," says Mr Clutton. "They get involved in our outreach projects." That reflects a wider interest in nurturing artist development. "We are small enough that everyone gets to know everyone else, so it does have a family feel when the seasonal staff and artists join us and it's lovely to see people come back each year. The upcycling of the chairs is being overseen by postgrads from Wimbledon College of Art, and our operations and stage crews are also young (and brilliant) graduates from Rose Bruford, Central, Lamda and so on." The two principals in Carmen had their first professional jobs as chorus members, as did David Butt Philip, now the leading lyric heroic tenor of his generation. "So we have a good hit rate," he says. Apart from its own work with young artists, it offers guest residences from others nurturing emerging talent, such as British Youth Opera and the Royal Ballet School. Links with the City will strengthen further in 2023, when an innovative fund-raising programme will help bring a new commission, Itch, based on Simon Mayo's bestselling novels, to the Holland Park stage. It is an operatic thriller with a most unusual hero - Itchingham Holte, a teenage scientist on a mission to collect all the elements in the periodic table. Described as "Breaking Bad for kids", the Itch books explore the magical properties of the elements through an adventure story of explosive proportions as the young hero tries to outrun a vindictive teacher, a global corporation and a shadowy government agency in his quest to save the world. The funding programme that is underpinning the programme is no less adventurous, involving the farthest reaches of the commodities trading world. *For more information on this year's programme and Itch, see the WCIB Linkedin page.*

New life begins at 40 for the City's international arts centre

THE BARBICAN, HEART OF THE ARTS IN THE CITY, IS HARVESTING IDEAS FROM THE PAST TO PROPEL ITS FUTURE

Will Gompertz is a man on a mission. He joined the Barbican, home of arts in the City, last summer in the newly designed role of Director of Arts and Learning. He arrived at the international arts centre from the BBC where he had been Arts Editor since 2009, and prior to that was a Director of the Tate Galleries for seven years. And he swiftly looked to the history of Guilds and the Livery in developing expertise. He is in the process of setting up a "masters scheme" to train new arts practitioners, technical staff, curators as well as chefs and hospitality staff.

"The City of London is the place where the trade guilds were created, using the system of young people being apprenticed to masters. That's the model, and we could take in people from all sorts of diverse backgrounds within, say, a three-mile radius," he said when introducing his plans. He joined the Barbican at a pivotal time. It celebrated its 40th anniversary in March this year and is embarking on a major renewal of the building which aims to ensure the Centre will be the creative home for the next generation. He will lead the organisation in renewing its vision and purpose as a civic space for the widest inclusive community, especially in light of the impact of the Covid-19 pandemic.

Supporting and collaborating with the team of artistic and organisational leaders across the arts, creative learning, marketing and communications teams, the role will refocus the Barbican's work in response to the different future we now face. Mr Gompertz says: "This is a hugely significant time for both the institution and the broad audiences it serves. As we all adjust to the major cultural, ecological, scientific, technological and political changes that are defining the early decades of the 21st century, the arts in general, and the Barbican in particular, have a vital role in helping shape our future, providing an inclusive platform for discovery and discussion, and a diverse environment for ideas and exchange. I am greatly looking forward to playing a part in the next chapter of the Barbican's life as one of the world's leading arts centres."

The Barbican is a huge enterprise, with a concert hall (home to the London Symphony Orchestra), two theatres, two art galleries, three cinemas, a library and a close relationship with the Guildhall School of Music and Drama next door. It is the largest arts centre in Europe, and one that Mr Gompertz aims to develop into an international arts, education and enterprise centre. Investing in tomorrow's talent is key to this.

The WCIB and its members have strong connections with the centre and in particular with the School, of whose board our Master was long-time Chair – see opposite). Our Coat of Arms is prominently displayed at Milton Court, the splendid teaching and performance building at the school, in recognition of the assistance the Company gave to fund the building when Sir Roger Gifford, a fervent supporter of City music, was Master. The Coat of Arms is on the wall of the "City of London Livery Companies Bar" next to the studio theatre on lower level 2 of Milton Court, which opened in 2013.

He sees two strands here. One is "creative enterprise," using capital from the City to support new creative businesses. He also wants to grow the "social enterprise" work the Barbican does in local communities around London — the Leytonstone Loves Film festival, for instance. These events are not Barbican branded, but they are strongly supported by the institution.

His second strand is education. "I would like to work towards creating a new arts-based school curriculum at the Barbican, which includes science and engineering, that is less about learning answers by rote and more about putting creativity at its heart," he proclaims.

The Sheriffs' Challenge 2022

LIVERYMAN PETER GREEN, CHAIRMAN OF THE CHARITY AND EDUCATION COMMITTEE, REPORTS ON THIS YEAR'S HIGHLY-SUCCESSFUL PUBLIC SPEAKING CHALLENGE

The previous edition of *The International Banker* highlighted the positive impact of the Company's financial donations to a wide range of charities. Equally valuable is the contribution of WCIB members who mentor and guide our relationship schools, universities and business schools.

Earlier this year I was privileged to mentor six students from Newham Collegiate Sixth Form Centre during their participation in the 2022 Sheriffs' Challenge – a competition initiated by Past Master Alderman Sir Peter Estlin to give students in London schools the opportunity to hone their public speaking skills by delivering a team presentation on a topic relating to the City of London or the business/wider world.

The NCS team, faced with the question "Should the purpose of the City of London go beyond creating wealth and jobs?", was determined to argue the somewhat contrarian position of "No – the purpose is only to generate wealth and jobs". Intriguingly, of the eight presentations I heard during the competition, NCS were the only team to argue this perspective. They clearly relished a challenge. They rose to this challenge by arguing that the City of London comprises many constituent parts – the City of London Corporation, investors, businesses, employees, students, regulators and the Government. And that wealth is far more than purely financial, sharing the heartfelt views of their generation on topics such as social mobility and opportunity for all.

By each of the constituent parts generating this wider definition of wealth, the aspirations of all can be achieved. In our heat of five schools, held in the impressive surrounding of The National Liberal Club, the judges were clearly impressed by both the argument and the delivery. NCS were the school chosen to progress to the final. Refinement of the presentation, rehearsals in front of full school assembly, preparing for a question and answer session, identification of further facts and data to support their argument, the NCS team were determined to make their presentation in the final even more powerful, and many lunchtimes were sacrificed. Necessarily so, since the finals were to be held in the daunting surroundings of Court One in the Old Bailey – probably the most famous court in the world – and to be judged by the two Sheriffs of the City of London and two Old Bailey judges. Would you have relished this, when you were of school age?

The three schools presented impressively in the finals, and each were subject to tough questioning by the judges. NCS were pipped at the post by St Saviour's & St Olave's who deserve our warmest congratulations. But all three finalists can hold their collective heads high. Their performances – and they were theatrical performance of the highest quality – were a joy to witness.

Did this challenge meet the objective of honing public speaking skills? An unequivocal yes, and much, much more. In the words of the team members: "We thought it would be about public speaking. But we learned so much more than that. We learned about research, about teamwork and our roles in teams, how to prepare for meetings, email etiquette, how to listen to people, how to speak to people, how to express oneself".

Thanks to NCS teacher James Bounds for his fabulous support to the students, and to Master John Bennett, Sir Peter Estlin, Angela Knight and Stephen Massey for their invaluable insights when being interviewed by the NCS students.

The Clerk (left) and the Master (centre back) with the finalists

Alderman & Sheriff Nicholas Lyons and Alderman & Sheriff Alison Gowman with the Judges

We need to talk about EDI - equality, diversity & inclusion

FREEMAN VIKAS AGGARWAL ON THE TASKS AHEAD

When you think of equality, diversity and inclusion (EDI) campaigns, I imagine the first thing that comes to mind is internships or graduate programmes. We've all seen the stock visuals, a group of bright enthusiastic, young individuals with a range of diverse looking profiles.

So that's where the ED&I story finishes right? You've made it through the door, job done? Well, no, actually. A lot has been done to improve entrance rates for people from socio-economically diverse backgrounds into the profession. There's more to be done, of course, but broadly, the profession can demonstrate concrete steps it has made to improve. Progression, however, is a different story, especially to senior management levels. The Bridge Group's research indicates someone from a lower socio-economic background progresses 25% more slowly, which increases to 32% for someone with black heritage. It is clear to see, as you move through the ranks that the results of that hard work on EDI at entrant level can peter out. Progression is harder to monitor and understand.

A problem central to this is the lack of data. People choose not to progress for many personal reasons. We don't always ask what those reasons are. But it is when that choice is taken away from the individual, indirectly (or sometimes bordering on explicitly), that we need to intervene. Especially as they lead to retention issues.
Here's a bad joke for you. What do you call three male professionals at a golf club? A job interview. This isn't necessarily meant to be funny, nor is it universally true...anymore, but I'm pretty sure you can imagine this situation happening in real life. And that's the problem. In fact, a very large firm (that should perhaps know better) recently got rapped on the knuckles for offering its aspiring female partners golf lessons to support them in their progression.

Barriers to progression within an organisation can be improved by ensuring greater transparency in application processes and independent interview panel members. But where an organisation doesn't have these in place, and sometimes when they do, invisible barriers exist. These can often revolve around "fit", visual and audio cues such as how their hair looks, or their accent. These will often link to their race, gender, and class. Where someone went to school, what sports they follow, their family socio-economic factors like these, are well-known to shape how we progress. Without reflective representation at senior levels, people who are often looked up to as role models, and without proactive initiatives to encourage fairer progression, mid-level professionals may not be able to visualise themselves at the top or will therefore choose to leave the organisation.

In addition to creating a fairer society, there is absolutely an economic benefit to greater socio-economic diversity in financial services. When an individual believes that their progression is inhibited by a socio-economic characteristic motivation, performance, satisfaction all decreases. Retention and attraction of the best talent becomes a major issue, as does the likelihood of perpetuating groupthink. And that is why, under the leadership of the Lord Mayor Vincent Keaveny, the City of London Corporation - though I should stress this is not a London-only initiative - has brought together hundreds of individuals from across the financial and related professional services sectors, myself included, into a taskforce to create a new organisation with the intention of improving socio-economic diversity at senior levels within the financial services sector. This new membership body will advocate for socio-economic diversity at senior levels and focus on progression and retention; it will encourage leaders to take direct ownership of action and culture change; it will support businesses of all sizes to improve their inclusion linked performance through evidence-based approaches. This is not about shaming businesses. Everyone has own race to run. It is about pushing for incremental changes, both of the mind as well as more concrete policies, to ensure equitable progression. We can't expect improvements over night, and we can't let perfect be the enemy of the good.

It has been a pleasure to be part of this taskforce, working with a range of professionals from across the ecosystem. When this new membership body launches (name TBC), I would strongly encourage all financial services employers to engage and ensure the financial services sector continues to lead the way in improving socio-economic diversity.

Vikas Aggarwal is Regional Head of Policy – Eurasia and New Market Development, at the ACCA.

Vikas Aggarwal

Greenhouse Sports brings "a fair chance to succeed"

FREEMAN ANDRE DIELING ON THE WORK OF ONE OF THE CHARITIES WCIB SUPPORTS

In 2022, Greenhouse Sports will be celebrating its 20th Anniversary, 20 years of providing vital support and development opportunities for young people growing up in deprivation across London. 20 years of changing lives.

The vision is that "every child has a fair chance to succeed" through a mission of "using the power of sport and mentoring to develop the life skills of children and young people".

Over the last year, of the 8,036 children Greenhouse has supported 40% were girls – the highest number of girls in Greenhouse's history. This builds on 37% of participants being girls in 2019, and 36% in 2020.

This has been achieved through monthly tracking of data to analyse trends and spot any downturn before it takes hold, whilst ensuring every programme has a female specific engagement target.

Greenhouse has also run dedicated female exclusive sports days at the Centre and appointed a Coach Development Lead who is working directly with programmes that have typically underperformed in this area. In January 881 girls went through the programmes and took part in one or more hours of activity.

While Greenhouse works with both girls and boys, it recognises that often girls need a particular approach in order to stay engaged. Many of the coaches incorporate different types of enrichment onto their programmes, such as book clubs and trips to the theatre. Girls also enjoy the social aspect of sessions, so often coaches will include a dedicated "socialising" time at the beginning or end of sessions.

The coaches find that girls flourish when tasked with responsibility, therefore coaches regularly empower female participants to lead clubs and sessions, something we frequently find girls relish. Greenhouse coaches are positive forces in these girls' lives and they understand that the way girls are spoken to can have a lasting effect on attitude and engagement. Greenhouse aims to make girls see that they can achieve anything they set their mind to.

Membership's role in fostering diversity and inclusion

MEMBERSHIP COMMITTEE CHAIR TIM SKEET TAKES HOPE FROM THE BUOYANT MEMBERSHIP

Membership numbers continue to offer a source of hope, as they are holding up well. We can perhaps also anticipate that the return to physical events will provide a further boost to the numbers. Moreover, those who have attended recent Freedom ceremonies, online and latterly in person once more, will note that the Company is making headway on diversity also, in a natural and positive way. The Membership Committee, with its oversight of the Diversity & Inclusion sub-committee, of course always keeps a weather eye on this topic. It is, however, not always easy to steer the numbers. Nevertheless, the Company's aspiration to show leadership in this area does appear to be paying off.

We take note also of Middle Warden Angela Knight's excellent work outlining the Company's overall ESG strategy in a suitably flexible and constructive way. Increasingly, we are all faced with questions of inclusion and openness, which go to the heart of the sense of community, charity and learning the hallmark of the Company. It is useful to familiarise ourselves with the principles of inclusiveness, which are fast becoming important issues in our places of work, where relevant.

The Membership Committee is now also preparing for the latest update to the Buddying Scheme. The headline membership numbers tend to mask the extent of "churn" in the membership make-up. The Membership Committee, under the good offices of Chris Gallant, oversees the master matrix allocating new joiners to seasoned Liverymen and Liverywomen as part of the Buddying Programme, designed to help people feel at home. This programme continues to attract favourable reviews, but is only as effective as the volunteers who offer their time. If you are reading this and would like to contribute to the Buddying scheme, please let us know. Welcoming new joiners, some of whom may not already have old friends in the Company, is critical to the overall membership experience. Our thanks of course to all those who have already contributed so well to the ongoing success of the scheme.

Since April 2021 there have been some 55 new joiners, so there will be plenty of buddying opportunities there. Overall membership numbers currently stand at 478 full member equivalent, against a budget critical number of 453. The total membership, all categories of members counted, is now at 627. We can never be complacent about such numbers, but we should collectively recognise that the Company remains vibrant and lively.

This is an excellent point now to formally welcome Catherine Raines to the position of Vice-Chair of the Membership Committee. With a tremendous career in Whitehall, and having just stepped down as the Chief Executive of the Association of Foreign Banks (AFB), Catherine has energy, contacts and ideas to bring to our deliberations. Furthermore, this is a good moment to once again thank Mary Foster for her great support of the Committee over recent years as the outgoing Vice Chair, as she now moves on to great things elsewhere.

Amongst the many events that I have participated in to celebrate International Women's Day this year, I thought that the points raised during the presentation jointly hosted by the Company and the Association of Foreign Banks (see p38), were especially noteworthy. They also resonated with many of my recent discussions with clients and contacts on unconscious bias.

In our fast-paced and busy professional lives, we seek to find "shortcuts" to process a high volume of information and handle multiple tasks in short order. This is understandable in terms of managing our limited time and energy, but – as outlined in more detail in Daniel Kahneman's "Thinking, fast and slow" – not taking time to reflect before acting can expose us to unconscious biases. As a result we become primed to act based on what is most recent and vivid (and thus readily available) for our minds, narrowing our focus at the expense of seeing the bigger picture.

Another area to watch out for is the risk of similarity bias, whereby we gravitate towards others who appear to share our own views and backgrounds. Whilst it might seem more "comfortable", this can prevent us from interacting with and learning from colleagues with very different life experiences. A classic example of similarity bias is where a firm's belief in "cultural fit" leads to potentially excluding someone who doesn't comply with these norms – and who may not even know of their existence.

During a discussion on board succession planning, one of the presenters highlighted the importance of reflecting what has been driving the selection of past candidates as a way to uncover the presence of unconscious biases.

See WCIB Linkedin for full article.
www.linkedin.com/groups/1366007/

Liveryman Victoria Liu is a certified Master Executive Coach

How we approach ESG matters for our investments

LIVERYMEN JENNY KNOTT AND STEPHEN EVANS REPORT ON HOW THE FINANCE COMMITTEE MANAGES NEW CHALLENGES

The Finance Committee invests about £1m of the Company's trust fund. We follow a model portfolio which includes various reputable funds and diversifies our investments across all markets and sectors globally. Our objective is to gain the returns available from each market over the medium to long term in an "ESG compliant" way ... So, let's examine what that really means.

By way of reminder, Environmental, Social and Governance (ESG) criteria are the measures used to evaluate non-financial performance; that is the sustainability and critical impact of an organisation and its social value to the community.

They commonly include considering the organisation's policies, practices and activities in relation to three themes:

1. **Environmental factors.** Examine how a business performs as a steward of our natural environment and include: waste and pollution; resource depletion; greenhouse emissions; deforestation; and climate change.

2. **Social matters.** Look at how a business treats people namely: employee relations and diversity; working conditions; local communities; health and safety; and conflict.

3. **Governance considerations.** Evaluate how a business polices itself and how it is governed. Consider: strategy; executive remuneration; donations and political lobbying; corruption and bribery; and board diversity and structure.

Leading fund managers now accept the need for ESG transparency, reporting and engagement at board level with the companies which they invest in and therefore to whom we as the ultimate investor, are exposed. The larger managers focus on engagement rather than exclusion. They seek to reach an accord with the companies to work together for a common interest in meeting ESG targets.As the Finance Committee, we have a duty to review and question the funds with whom we invest. We start by reviewing the ESG policies of the fund managers – below are some examples of what matters to them and therefore us, through the ESG lens.

FUND 1

As mentioned above, the policy for most diversified funds is to remain invested in companies and encourage them to take positive action on material ESG risks. Most believe they can deliver long-term sustainable value for investors and society at large without having to divest from specific companies. This stewardship approach encourages all companies and their boards to oversee and mitigate all material risks including ESG risks. It aims to be a key voice on governance matters such as board diversity, independence and structures as well as on an increased oversight of specific ESG related risk, disclosures and mitigation.

For climate change, it believes it is better to own, engage and encourage boards to manage risks. It expects a plan for a transition to a low carbon economy.

FUND 2

Investment stewardship to this fund means the responsible oversight of capital that they allocate on behalf of their clients. This should give sustainable benefits for the economy, the environment and society. It engages with the companies to address risks and opportunities – both company-specific and market-wide. Its engagement with regards to modern slavery and fast fashion brings this to life. It has challenged FTSE 350 companies that had failed to meet the reporting requirements of Section 54 of the Modern Slavery Act, 2015. Not only did it want to highlight the importance of eradicating modern slavery throughout the supply chains of FTSE 350 companies, it also sought to raise the importance of eradicating slavery across global business.

Separately, it had numerous engagements with one group in the second half of 2020 to discuss its response to criticisms of poor practices in its supply chain. That firm has since announced an "agenda for change" programme.

FUND 3

Has a set of investment principles to meet ESG objectives. It also does not screen out companies from their investment universe purely on the grounds of poor ESG performance, rather they adopt a positive engagement approach whereby they discuss these issues with the management of the companies. It uses the information gathered during these meetings both to encourage company management to improve procedures and policies.

A second principle is that as Institutional investors, it should have a clear policy on voting and disclosure of voting activity. Where its views differ from those of the investee board it will engage with that board at an early stage to try and resolve differences. Their guiding principle is that voting rights should always be exercised in the best interest of investors. They disclose their voting record for the preceding 12 months on their website and update this information on a quarterly basis.

FUND 4

It too actively engage with the companies it invest in to encourage them to transition towards more sustainable business models that support long-term future growth and resilience. In 2020, there was much focus on the E in ESG and particularly on climate change. It has taken three major steps on this front that show how it is taking decisive action.

The first is that it has joined the Net Zero Asset Manager initiative, the goal of which is to attain net zero greenhouse gas emissions by 2050 or sooner. It is part of a shared aim to limit global warming to 1.5 degrees above pre-industrial levels.

Secondly, it has pledged to set robust emissions reduction targets under the Science-Based Targets initiative.

The third is its appeal to the largest FTSE 350 UK listed companies to publish detailed plans describing how they intend to transition, beyond simply showing long-term ambition. It wants to go beyond reported profits. In time, it aims to examine "impact-adjusted profits". Profit, after all, is only half the story. It's essential that how that profit is generated is part of the evaluation equation.

In conclusion, ESG Investing is about aligning the values of the investor (us) with how our investment managers and the ultimate investees treat the planet, people and how it is run. It is clear we cannot simply leave it to others to self-regulate what matters to us.

We need to ensure the funds and their investments align standards and definitions, are robustly transparent and ensure their investees actually deliver improved outcomes. We, as Investors, have to do a bit of digging and ask some challenging questions. We must put our money where our mouth is. ESG matters.

Jenny Knott is Chair of the Finance Committee and Stephen Evans, Deputy Chair.

Jenny Knott

Stephen Evans

The WCIB and the ESG agenda

A COMPANY WORKING GROUP HAS PROPOSED THE WAY FORWARD FOR THE WCIB'S ROLE IN ENVIRONMENTAL, SOCIETAL AND GOVERNANCE (ESG) MATTERS

The ESG agenda is advancing rapidly and particularly for stock exchange listed companies. ESG is a priority for regulators, politicians and governance groups, it is an agenda item for Boardrooms, as increasingly businesses are required to set out its ESG commitments and set specific measurable goals on which it reports, with at least the CEO remuneration having an ESG target.

ESG includes the carbon footprint and the impact an organisation has on the environment; the diversity of the organisation, particularly in respect to gender and ethnicity; how it reflects the community in which it is located, the customers it serves and how it serves them; its societal contribution; and if a financial company, what and where and to whom it provides finance. This list is indicative and not comprehensive.

So as ESG is rapidly becoming an overarching requirement for our members and the companies they work for, so the WCIB must play its part. The WCIB recognises that ESG is not a "project" but is the way in which all businesses need to operate.

So the Company will be reviewing all aspects of its operation through this lens and believes it is well placed to act as a broker of ideas, thoughts and good practice, while avoiding "virtue signalling". The WCIB will report annually on ESG, which it sees as an important pillar for the next successful 20 years of the Company.

ACTIONS THE WCIB PROPOSES TO TAKE:

E - for Environment. The WCIB will:

- Seek to measure the carbon footprint of every aspect of its operation including the office, suppliers and events and for both before the pandemic and after;
- Assess with members those events which should stay on line/virtual and those where the pleasure and comradeship of meeting - and eating together - should be restored;
- Invest the WCIB charitable funds in an ESG compliant manner;
- Set measurable carbon reduction targets where appropriate;
- Engage with other Livery companies and groups; and
- Set a programme of events, focussing on a practical and responsible transition to net zero.

S - for Societal. The WCIB will:

- Seek more information from members on diversity, ethnicity and internationality*;
- Embrace an ambition to increase diversity - including gender, ethnicity, internationality, age distribution and background - in its membership and on its committees, taking what steps are available to a membership voluntary organisation;
- Consider the wider impact of our charitable donations on society; and
- Include ESG in events, discussion topics and education involvement.

G- for Governance. The WCIB will:

- Update communications to promulgate more widely and relevantly the WCIB and its purpose;
- Make the WCIB information easy to find, with clarity of what it offers to all in financial services;
- Promulgate widely the Lord George Principles for Good Business Conduct; and
- Broaden its successful events programme.

*The WCIB has had an active programme for increasing diversity. Two thirds of the members considered the company had above average gender diversity.

The ESG group members are Rohan Arora, Elizabeth Burton, Szilard Farkasdi, Liz Field, Angela Knight CBE, and Omiros D. Sarikas.

Liz Field

Angela Knight

The route to Liveryman

LIVERYMAN SIMON HILLS, CHAIR OF THE LIVERYMEN'S COMMITTEE, SPELLS OUT HOW TO GAIN THIS GLITTERING PRIZE

In response to last year's membership survey, the Livery Committee has prepared a briefing note to better inform Freemen considering becoming Liverymen. A Liveryman - the term applies to all genders - is a member of the most senior membership cohort of our company Responses to the membership survey confirmed that members wanted more information about the process and indeed 16 respondents indicated that they wished to progress to Liveryman in the foreseeable future. This enthusiasm is both encouraging and will help to meet the target of 225 Liverymen by 2025 set by the Livery Committee in conjunction with our immediate Past Master as part of his Freeman, Liveryman, Master initiative. There are currently 207 WCIB Liverymen.

Freemen, who must also be free of the City, who wish to progress to Liveryman should express their interest in doing so to the Master via the Clerk. An interview with the Livery Admissions Committee usually follows after which it will make a recommendation to the Court. It is expected that candidates for progression will typically have been members of our Company for at least a couple of years.

The term Liveryman reflects the livery, or specific form of dress, used in medieval times to denote membership of a guild. Guilds were responsible for training in a particular craft, via apprenticeships as well as upholding industry standards, a purpose that is still reflected in our own Company's objectives.

So a new Liveryman will be clothed in a gown usually before one of our main annual events, after they have made a declaration in front of the Master and Court.

Whilst Liverymen do not ordinarily wear gowns, they become eligible to wear a lapel badge at Company and Civic events, the cost of which is included in the Livery Fine - a one-off membership fee.

Being a Liveryman brings with it both responsibilities and privileges. If you become a Liveryman there is an expectation that you will:

- Actively support the aims and objectives of our Company, including the Lord George Principles for Good Business Conduct
- Engage with its charitable endeavours and our work in the field of education
- Encourage younger members and journeymen through the mentoring scheme
- Attend Company events, including those only for Liverymen, such as the Company's annual Common Hall
- Consider becoming a member of a committee, such as Liverymen, Events, Charity & Education, Finance, or Communications, or the Court
- Represent the Company at Livery events
- Include the WCIB as a beneficiary in your will

ONCE ADMITTED TO THE LIVERY A LIVERYMAN CAN:

- Participate in all Company dinners and lunches, including those for Liverymen only
- Serve as Chairman of one of the Company's seven standing committees
- Be considered for advancement to Warden and Master
- Vote in the elections of the Lord Mayor of the City of London and the two elected Sheriffs at Common Halls held at the Guildhall

The Guildhall: heart of the Livery

- Stand for the post of Sheriff of the City of London
- Attend the United Guilds Service at St Pauls Cathedral

I hope this brief article has provided more clarity about the path to Liveryman. If you would like to be considered for advancement please do get in touch with the Clerk or alternatively have a chat with a member of the Livery Committee at one of our forthcoming events.

A sparkling six months of events

THE COMPANY SPRANG BACK FROM NEARLY TWO YEARS OF PANDEMIC WITH VERVE AND PANACHE

17 JANUARY 2022

Masterpieces from the Royal Collection, private tour and reception at The Queen's Gallery, Buckingham Palace

We opened the year with a chance to see some of the most famous paintings in the Royal Collection in this new exhibition at The Queen's Gallery. The Curator spoke about the paintings and we were able to get close to some of the world's greatest masterpieces by renowned artists – including Vermeer, Rembrandt, van Dyck, Rubens, Titian and Canaletto.

23 FEBRUARY 2022

Annual Banquet at the Mansion House

February brought our first Annual Banquet at Mansion House since Covid assailed us. We had a full and joyous house, with some 300 dining. Our guest speaker was Stephen Welton, Executive Chair of BGF, a company he founded in 2011. BGF is now the UK's leading growth capital investor, with a portfolio of more than 300 companies, a balance sheet in excess of £3bn, and is financed by the UK's largest banks. We were joined by our Past Master Sir Peter Estlin, acting as Representative Lord Mayor, as well as guests from the financial services industry, the Mansion House Scholars and representatives from the regiments and charities that we support. *See a display of photos from this grand event on page 4 of this issue*.

2 MARCH 2022

The Sheriffs' Challenge

The Sheriffs' Challenge, instigated by Past Master Sir Peter Estlin, is an annual competition for teams of sixth form students to present their argument on a topic selected by the event organisers. This year the topic was *"Should the purpose of the City of London go beyond creating wealth and jobs?"*

Livery companies are asked to sponsor up to two schools, and to provide mentoring for their sponsored schools during the preparation of the case. This year, 17 schools entered and WCIB sponsored two schools – King Solomon Academy and Newham Collegiate Sixth Form Centre (NCS). *See page 28*.

In the words of the lead teacher at NCS, James Bounds, "It is a wonderful format and the students have learnt so much about team work, leadership, project management and public speaking. Often our students' poor commercial awareness can hold them back in interviews or assessment centre activities when applying for internships and apprenticeships, so this is a great way of addressing that gap".

8 MARCH 2022

International Womens' Day: "Nudging for inclusion and challenging our biases"

This year, to celebrate International Women's Day, we decided to go a bit further than gender, and explore the science behind potential biases and how to work with them. To do this, we had a virtual session, introduced by Catherine Raines (CEO, Association of Foreign Banks, and Deputy Chair Membership, WCIB) with guest speakers from Danske Bank - Michael Emil Olinger and Kalina Boyanova Guldberg – followed by a closing address by Angela Knight (Middle Warden, WCIB).

Michael is Department Manager in Operational Excellence and Kalina is Project Manager, Conduct Department, Group Compliance. They both are behavioural design enthusiasts and as a side-gig to their roles they teach an introductory full-day course in behavioural design to colleagues in Danske Bank and facilitate webinars on topics related to behavioural design and nudging.

In this presentation for WCIB and AFB members, they provided how Behavioural Design can help to make a positive difference and the biases and stereotypes aware of and suggest practical nudges for how inclusiveness can become the default. They explained how nudging and behavioural design refer to ways to influence people's behaviour by applying insights from amongst all psychology and behavioural science with regards to how the mind works, what are conscious and sub-conscious biases and how do we make decisions. (*See comment by Victoria Liu on page 31 and on WCIB Linkedin*).

21 MARCH 2022

Court at Fishmongers' Hall Court dinner for Court, Past Masters and new Liverymen

22 MARCH 2022

International Bankers Golf Spring Meeting at North Hants GC

30 MARCH 2022

Tour and supper at The Queen's Club

"We had a great time, organised by Past Master Michael Llewelyn-Jones, on The Queen's Club real tennis courts,

as he explained the game. Tennis is the medieval precursor of lawn tennis. Known as the 'sport of kings', it is the original racquet sport (the Shakespeareans amongst you will recall the balls the French Dauphin sent to Henry V suggesting he stay in London and play tennis). Having had 250 courts in Paris alone, pre-Revolution, there are now some 50 courts in the UK, France, Australia and the USA as the sport slowly expands again. "The evening starred two intrepid WCIB pairs who competed (loosely defined) in the inter-livery competition last year. One of the Queen's Club professionals was on-hand to explain what was going on, assisted by a glass or two of wine and also a tour of the mini-museum." *John Thirlwell*

1 APRIL 2022

Liverymen's Lunch at Plaisterers' Hall, following the United Guilds Service, St Paul's Cathedral

7 APRIL 2022

Lord Mayor's Platinum Jubilee Big Curry

12 APRIL 2022

The business of sport

A panel of leading international speakers described the latest opportunities and challenges facing sports teams, leagues, businesses and investors:

- Mark Evans (Chair) (Australia) – Director of Capacity Consulting, Ex CEO of Harlequins, Melbourne Storm and Western Force, Ex Director of Rugby at Saracens, Ex Chair of Vitality Netball Super League
- Ray James – Chief Operating/ Relationships Officer of iSportConnect, Ex Manchester City, Chelsea, Millwall & Sky Sports
- Jake Lush McCrum (India) – Chief Executive Officer of Rajasthan Royals
- Hemen Tseayo – Director and Head of Corporate Finance of Manchester United.

20 APRIL 2022

"The Good, the Bad and the Greedy" with Martin Vander Weyer, chaired by the Master, John Bennett

Martin Vander Weyer

Martin Vander Weyer is the Business Editor of the *Spectator* and has spent 30 years as an obituarist of the *Daily Telegraph*. Before that he had a long career in investment banking, and was interviewed recently as part of the WCIB's Oral History Project ("Big Bang 1979-86") by Liverymen Gerald Ashley and John Thirlwell and Liveryman Martin Zetter. *A joint event with JustShare*.

From the Industrial Revolution to the internet, capitalism has been a great engine of human progress. But now it stands accused of allowing the greedy few to run riot over the rest of society, exploiting workers and suppliers and recklessly damaging the planet in pursuit of profit. Where did these accusations come from – and are they true? In a lively critique based on his latest book, "The Good, the Bad and the Greedy", the *Spectator* Business Editor argued that capitalism has indeed lost its moral compass, has lost public trust and is in urgent need of repair.

But this is no far-left analysis seeking to champion a thinly-veiled Marxist platform. Written from the point of view of a deep admirer of entrepreneurship and private-sector investment as a proven path to innovation and prosperity, *The Good, the Bad and the Greedy* argues that businesses always operate in a social context and that a "good" business in a moral sense can also, in a perfect world, be a business that richly rewards its creators and backers. From the writer whom Boris Johnson called "the most oracular and entertaining business commentator" in London, this thoughtful critique of 21st-century capitalism formulates core principles that separate the good from the bad and the greedy and warns that the system must be reformed and faith in it restored – before the next generation commit the ultimate act of self-harm by rejecting capitalism in favour of something worse.

16 MAY 2022

Tour of Lord's Cricket Ground and Museum.

18-19 MAY 2022

Inter-livery clay shoot at Holland & Holland

Alex Rottenburg worked his usual magic to bring together a strong WCIB team for this huge event, spread over two days at the Holland & Holland grounds in Ruislip. "The whole thing was enormous fun!" concluded Alex.

WCIB guns

25 MAY 2022

International Bankers Golf Summer Meeting

25 MAY 2022

Service of Compline at St Barts the Great for Sir Roger Gifford

A simple service with fittingly beautiful music marked the first anniversary of Past Master Sir Roger Gifford's death. Many friends from the Company and around the City and beyond met at the church, featuring a choir made up of people who knew him and sang with him, mainly from a younger generation of ex-choral scholars. Freddie, son of his widow Dr Clare Taylor, directed the music.

15 JUNE 2022

Fundraising Dinner at Merchant Taylors' Hall

Merchant Taylors' Hall was at its shining best for the IBCT Charity Ball, raising funds for The International Bankers Trust for the benefit of its brilliant partner charities. These local organisations do so much to lift the lives and aspirations of underprivileged young Londoners, and the Ball showcased the impact of their work on the night via an impactful video compilation. Some 120 revellers danced the night away to the music of Russell Shaun 11-piece Big Band, with additional DJ vibes provided by Funkie Functions. Members and guests also enjoyed the pop-up speakeasy in the Parlour with a charity espresso martini bar (kindly donated by High on Life, Sevenoaks) and top shelf charity whisky bar (kindly donated by Gourmet Hound, Fulham) and taking the evening summer air in the magnificent outdoor courtyard. Freeman Grant Davies and Senior Warden Jason Van Praagh, representing the Fundraising Committee, presided over events including successful live and silent auctions (with our partner Jumblebee), a charity heads & tails game and a keenly followed raffle of a 2010 "investment grade" bottle of Barolo (kindly donated by Oeno House), won by Vincent Chan.

The Master with Senior Warden Jason Van Pragh and Freeman Grant Davies

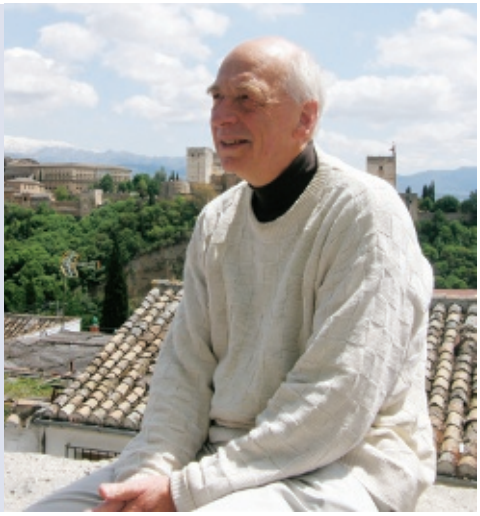
24 JUNE 2022

Common Hall – Election of Sheriffs and Liverymen's lunch at Furniture Makers' Hall

IN MEMORIAM

We have lost five WCIB Liveryman this year.

George Copus died in May, aged 97. George was one of the very earliest Freemen in the Company, joining it in June 2001 from the Overseas Bankers Club. He became a Liveryman in 2006 and was an enthusiastic supporter of the Company and particularly our Charity and Education work. Also departed are Christopher Bond (pictured), former editor of this magazine, Jo Byllam-Barnes, DerekTullett, and Roger Wolf.



From the Clerk

"BUT AT MY BACK I ALWAYS HEAR, TIME'S WINGÈD CHARIOT HURRYING NEAR"

The quote above is from the metaphysical poet (and MP) Andrew Marvell. We all know that time flies particularly when you are having fun and it hardly seems nine years since I wrote my first piece in the Spring 2013 edition of *The International Banker*. As many members will know I am retiring towards the end of this year and the process for selecting my successor is well under way. Time's winged chariot is certainly approaching at speed to whisk me away.

From my point of view I am pleased to say the Company is in good shape, we are making progress with reducing the number of members I have to chase every year because they are late paying their subscriptions but there is still a handful of laggards. Please make a note in your diaries that all subscriptions are payable in October at the start of the membership year irrespective of when you joined the Company. As costs go up the Company's budget will be increasingly tight and we are dependent on subscription income to pay our costs.

It was a particular pleasure for me to see the excellent response from many members to the two appeals we ran recently to raise funds to support the City of London's sponsorship of youth educational and performing arts floats and tableaux in the Queen's Platinum Jubilee Parade and for the Disasters Emergency Committee Ukraine Appeal. These donations are in addition to our planned annual grant giving of circa £110,000.

Donations are always welcome from members and non members and can be made using this QR code

Nicholas Westgarth

Get the glad rags out

BOWTIE £20

CUFFLINKS £50

TIE £20

PEWTER BADGE £20 – CAN BE USED AS A BADGE OR PENDANT (chain not included)

Order and pay via the Shop in the Members Area of the WCIB website www.internationalbankers.org.uk

Prices for all items incl VAT but do not include P&P.

A glittering calendar of events

DATE	EVENT
20 JULY 2022	GUILDHALL BREAKFAST TALK WITH CHIEF COMMONER AND POLICY CHAIRMAN
29 SEPTEMBER 2022	COMMON HALL – ELECTION OF LORD MAYOR AND LIVERYMEN'S LUNCH
29 SEPTEMBER 2022	INTERNATIONAL BANKERS GOLF AUTUMN MEETING
6 OCTOBER 2022	INSTALLATION COURT AND DINNER AT DRAPERS' HALL
12 NOVEMBER 2022	LORD MAYOR'S SHOW
10 OCTOBER 2022	FSG GOLF DAY
28 NOVEMBER 2022	FSG PANEL
14 DECEMBER 2022	CAROL SERVICE AT ST. MARY-LE-BOW, CHEAPSIDE

Deputy Simon Duckworth OBE, Chief Commoner

Drapers' Hall

St. Mary-le-Bow