

A panoramic view of a city skyline, likely New York City, featuring a mix of modern glass skyscrapers and older brick buildings. The foreground shows a body of water, possibly the Hudson River, with a low wall or pier structure. The sky is clear and blue.

Andreas Krause

Chapter 10
Regulation of financial analysts

Outline

- Problem and model assumptions
- Unregulated analysts
- Chinese Walls
- Disclosure of wages
- Summary

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Ineffective Chinese Walls

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- ▶ Investment banks recover their optimal solution by setting base wages accordingly
- ▶ The remuneration differences are the same as before and hence the incentives to analysts are identical

- Problem and model assumptions
- Unregulated analysts
- Chinese Walls
- **Disclosure of wages**
- Summary

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Andreas Krause
Department of Economics
University of Bath
Claverton Down
Bath BA2 7AY
United Kingdom

E-mail: mnsak@bath.ac.uk