

CULTURE IS THE NEW IMPERATIVE FOR THE BANKING INDUSTRY, SAYS 2018 GLOBAL BANK REVIEW

20 November 2018 | Asia, Australia, Europe, United Kingdom
Firm news

Addressing culture to prevent misconduct is the new regulatory imperative for the world's bankers, and the breadth and speed of this regulatory trend is captured in Herbert Smith Freehills' second [Global Bank Review](#).

The review considers recent global regulatory developments that focus on culture. These range from regulatory guidance on governance, misconduct and senior management accountability, to an increasing board-level focus on mental health and wellbeing as risk indicators.

Australian partner and Co-chair of the firm's Global Banks Sector Group, [Tony Damian](#), commented: "For many banks, the breadth of culture issues is daunting. It requires business heads to endorse new styles and structures and to forge new partnerships with parts of the business, such as human resources and strategy."

"Cultural change can be difficult to embed, and requires considerable investment in time and resources. However, in the long run, that investment will provide a broad range of benefits, including to reputation and to reducing enforcement actions," he said.

"We have seen regulators around the globe shift from corporate to individual accountability over the last two years," said Asia Head of Financial Services Regulatory [Will Hallatt](#).

"You can't regulate individuals effectively without taking workplace culture into account, so we expect regulators to swiftly turn their attention – and their regulatory regimes – to cultural issues in the year ahead."

As well as examining regulatory developments such as the Financial Stability Board's Culture Toolkit and developments in bank executive accountability regimes around the world, the review also covers other important areas that are reframing the banking landscape such as fintech, regtech and cryptocurrencies.

"While the financial crisis has dominated regulatory debate over the past 10 years, fintech has blossomed," said partner and Co-chair of the firm's Global Banks Sector Group, [Simon Clarke](#).

"Regulators face real challenges in the fintech space, not least from the speed of innovative digitalised products and services, and have to grapple with steep learning curves and unknown cybersecurity threats.

"That said, fintechs continue to push the boundaries of innovation, and collaboration between them and established banks may be the ticket to staying ahead of the game."

In the review, industry leaders also share their personal views on the lessons learned from the Global Financial Crisis, and the risks and challenges that remain for banks and financial institutions today.

Culture Club: 2018 Global Bank Review is available for download [here](#). Herbert Smith Freehills' first review - *A Brave New World? 2017 Global Bank Review* - can be found [here](#).

MEDIA CONTACT

For further information on this news article, please contact:

**KELLY MURRAY, EXTERNAL
COMMUNICATIONS LEAD**

SYDNEY

Tel: +61 2 9322 4472

Email: kelly.murray@hsf.com

LYDIA LAM, COMMUNICATIONS LEAD

LONDON

Tel: +44 20 7466 3139

Email: lydia.lam@hsf.com

**SALLY GREIG, HEAD OF
COMMUNICATIONS, ASIA**

HONG KONG

Tel: +852 21014624

Email: sally.greig@hsf.com