The regulation of financial benchmarks

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Propositions relating to the dissertation

The Regulation of Financial Benchmarks

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1. Financial benchmarks are essential for the well-functioning of modern financial markets (Chapter 1, Chapter 3 Section 4, and Chapter 4).

2. Regulation of financial benchmarks is crucial, because whilst financial benchmarks significantly benefit users, financial markets, and the real economy, the realization of their risks can, at best, limit these benefits and, at worst, cause serious economic harm (Chapter 4).

3. Benchmark manipulation is a defining example of market abuse, as it can be a most profitable, easiest to execute, hardest to detect, and most damaging form of market abuse (Chapter 4, Chapter 7, and Chapter 8).

4. The solution to some of the problems and risks of using benchmarks rather lies in having more benchmarks than fewer (Chapter 4 Section 4.5, Chapter 8, and Chapter 9).

5. Current forms of financial benchmark regulation do little to correct traditional 'market failures', such as lack of competition and public good related issues (Chapter 7).

6. The interest rate benchmark transition has been forced by regulation and did more harm than good for the economy and for financial benchmarks.

7. Market abuse can only effectively be addressed with rules that have a certain degree of subjectivity and uncertainty.

8. Regulators should exercise caution when intervening in financial markets and should carefully consider the potential adverse effects of their actions.

9. Highly efficient financial markets are amongst man's greatest economic developments. Their existence, continuation, and development must be ensured and protected.

10. Financial benchmarks are an excellent topic to bring up at parties.