"A fiduciary duty is a very high level of legal responsibility owed by those who manage someone else's money, which includes the duties of care and loyalty" (Byars & Stanberry, 2019). Employees in financial services should uphold strong ethical standards even beyond what is explicitly stated in codes of conduct. They have a fiduciary duty to act in their clients' best interests and safeguard sensitive information and assets. Mechanisms to encourage ethical behavior include thorough training, incentives linked to ethical outcomes, active monitoring of employee actions, independent audits, and channels for anonymous reporting of misconduct. There should also be clear consequences for violations.

Insider trading cases are still treated very seriously today, though penalties may vary depending on the specific circumstances. With the experience of past high-profile cases like this one, authorities are often better equipped to detect insider trading schemes early on. However, new technologies and financial instruments also introduce new potential risks. Regulators must continually evolve to identify emerging avenues for misconduct.

Requiring certification in ethics from reputable professional associations could strengthen standards, though passing an exam does not guarantee ethical behavior. Ongoing training customized to each role may be more effective. Firms should focus on establishing a strong culture of integrity, providing mentoring, and modeling ethical leadership from the top-down. Allowing anonymous reporting of concerns also empowers employees at all levels to speak up if they witness misconduct. Rather than relying wholly on outside requirements, the industry is better served by companies taking proactive responsibility for setting and enforcing strong ethics expectations internally.

References:

Byars, S. M., & Stanberry, K. (2019). Business ethics. OpenStax College and Rice University. Retrieved from: https://openstax.org/details/books/business-ethics

Jimenez, G. C., & Pulos, E. (2016). Good Corporation, Bad Corporation: Corporate Social Responsibility in the Global Economy. Open SUNY Textbooks. Retrieved from: https://milnepublishing.geneseo.edu/good-corporation-bad-corporation/.