

Chinese walls

Chinese wall refers to an ethical barrier between different divisions of a financial or other institution to avoid conflicts of interest. It is said to exist, for example, between the corporate-advisory area and the brokering department of a financial services firm to separate employees giving corporate advice on takeovers from those advising clients about buying shares. The "wall" is established to prevent leaks of corporate inside information, which could influence the advice given to clients making investments, or allow staff to take advantage of facts not yet known to the general public.

Maintaining client confidentiality is crucial to any firm but is particularly crucial for large multiservice businesses. When firms are providing a wide range of services, clients must be able to trust that information about themselves will not be exploited for the benefit of other clients with different interests, in other words trust in Chinese walls. However, some Wall Street scandals in recent years have made some people doubt the effectiveness of Chinese walls, as some executives of respectable firms have traded illegally on inside information for their own benefit.

(adapted from *Investopedia.com*)



Ex. 1 Match the words in the column with their equivalents from the text:

1. dział	• advice
2. przejęcie	• division
3. akcja	• effectiveness
4. wyciek	• investment
5. rada	• leak
6. inwestycja	• share
7. personel	• staff
8. skuteczność	• takeover

Ex. 2 Complete the collocations with the correct word from the box:

<i>advice / barrier / brokering / business / client / conflict / information / public</i>

1. ethical _____
2. _____ of interest
3. _____ department
4. corporate _____
5. inside _____
6. general _____
7. _____ confidentiality
8. multiservice _____

Ex.3 Say these sentences in English using some expressions from the previous exercises:

1. Opinia publiczna nie powinna mieć dostępu (*have access*) do wewnętrznych informacji.
2. Zapewniamy (*provide*) doradztwo korporacyjne w zakresie (*on*) przejęć.
3. W naszym sektorze (*sector*) szczególnie (*particularly*) musimy unikać konfliktów interesów.

I know English idioms:

This lesson's text uses the word "benefit" a few times e.g. "for their own benefit". We would explore, however, a different idiomatic expression:

- to reap the benefit = *to get something good as a result of your own actions (czerpać korzyści, zbierać żniwo)*
- She worked hard day and night and reaped the benefit at the time of her performance appraisal.

Phrasals, phrasals...

Another word used in our reading text this lesson is "trade" (handlować). Why not to explore this word as phrasal verb?

- to trade on something = *to use something for your own advantage and usually in an unfair way (wykorzystać coś)*
- This kind of advertising trades on people's fears.

Grammar corner...

One of the sentences of the text begins like this: "It is said to exist (...)", which can translate into Polish as "Mówi się, że (ktoś/coś) istnieje...". The structure uses the passive voice combined with an infinitive. Here are a few similar examples:

- It is believed to be... - Wierzy się, że jest...
- It is considered to finish... - Uważa się, że się skończy...
- It is presumed to have... - Zakłada się, że ma...

GLOSSARY	
Chinese wall	chiński mur
to refer to	odnosić się do
ethical barrier	etyczna bariera
division	dział, pion
to avoid	unikać
conflict of interest	konflikt interesów
it is said to	mówi się, że
to exist	istnieć
corporate advisory	doradztwo korporacyjne
area	obszar
brokering department	dział brokerski
financial services firm	firma świadcząca usługi finansowe
to separate	oddzielić
employee	pracownik
to give advice / to advise	doradzać
takeover	przejęcie
to buy shares	kupować akcje
to establish	ustanawiać
to prevent	zapobiegać
leak	wyciek
inside information	wewnętrzne informacje
to influence	wpływać na
to make investment	inwestować
to allow sb	umożliwić coś komuś
staff	personel
to take advantage of	korzystać z
not yet known	jeszcze nieznanne
general public	opinia publiczna
to maintain	urzym(yw)ać
confidentiality	poufność
crucial	nieodzowne
particularly	szczególnie
multiservice business	firma świadcząca różnorodne usługi
to provide	zapewniać
wide range	szeroki zakres
to trust	ufać
to be exploited	zostać wykorzystanym
for the benefit	na korzyść
to doubt	wątpić
effectiveness	skuteczność
executive	dyrektor
respectable	szanowany
to trade	handlować
illegally	nielegalnie

ANSWER KEY

Ex.1

1. division
2. takeover
3. share
4. leak
5. advice
6. investment
7. staff
8. effectiveness

Ex.2

1. ethical barrier
2. conflict of interest
3. brokering department
4. corporate advice
5. inside information
6. general public
7. client confidentiality
8. multiservice business

Ex.3

1. General public should not have access to inside information.
2. We provided corporate advice on takeovers.
3. In our sector we particularly have to avoid conflicts of interest.