

<b>COMMENT</b>	<b>Justice for offshore centres</b>	<b>6</b>
	<b>Should regulated institutions have their own domains?</b>	<b>7</b>
<b>NOTES</b>	Screws tighten on offshore centres • Europe's wise men on the web • Gaps in global insurance regulation • IMF wants to get closer • ...but warns Fed over new powers • Tax reform victory • CBF backs down • Swiss exchange switches trades to London • Dutch tighten up flotation rules • Reparations to German victims • 'Risky' Czech brokers to be investigated • All change in Chicago • Visa and MasterCard accused of suppressing competition • Risk management firm hired by FDIC • Towards the global marketplace • Mafia on the internet • Ontario regulators to merge • RBC arm investigated • Mexican protection head resigns • Merger maybe • Monitoring electronic exchanges • Barriers too high, Zarb warns • Goldman try to mend fences • Japan-US alliance mooted • A new dawn in China • Siam City Bank fails to find a buyer • Sherbank agrees to international accounting standards	<b>9</b>
	<b>UK NEWS</b>	Paycom is coming • FSA bill through at last • Completion and implementation • Rulebook warning • Keeping the markets clean • Progress towards iX • Regulatory issues of the merger • BCCI liquidation payments • Jersey bank investigated • Building societies in good health
<b>MONEY LAUNDERING</b>	<b>Interview: José Roldán</b>	<b>18</b>
	The Financial Action Task Force on Money Laundering (FATF) has hit the headlines because of its blacklist of offshore centres. Critics of this action are wrong, argues José Roldán, FATF president. Only serious criminals benefit from laxity.	
<b>GLOBAL FINANCE AT RISK</b>	<b>Interview: Lord Eatwell</b>	<b>23</b>
	National financial regulators were created to prevent financial crises. The world economy is now threatened by the same destabilising forces, according to John Eatwell, president of Queen's College, Cambridge.	

<b>FOCUS: CAN SUB DEBT DELIVER?</b>	<p><i>According to both Alan Greenspan and the Basel Committee, only market discipline can now constrain the world's largest banks. American supervisors may soon require banks to issue subordinated (uninsured) debt to effect this. Will it work?</i></p> <p><b>Making markets work for regulators</b> 28 Yes, says Rahul Dhumale. Subordinated debt can allow regulators to harness information from markets, offering regulators better, and earlier, warning of bank difficulties.</p> <p><b>Sub debt - silver bullet or a big dud?</b> 32 Subordinated debt is a flawed proposal based on false premises, counters Bert Ely.</p>
<b>GERMAN SUPERVISION</b>	<p><b>High noon for German supervision</b> 38 The debate over reforming German supervisory structures is being sidetracked by the need to compensate the Bundesbank for its loss of power to the European Central Bank, says Klaus Engelen.</p>
<b>COMPETITION</b>	<p><b>Cruickshank three months on</b> 41 Cruickshank was correct to focus on the importance of competition, in his report on the UK banking industry, argues Richard Farrant, one of the UK's most senior former regulators. Rule based regulation is inadequate.</p>
<b>COST OF REGULATION</b>	<p><b>Counting the cost</b> 44 Figures released by the UK Financial Services Authority compare the direct costs of regulation internationally. Are they asking the right questions, asks Neil Courtis.</p>
<b>REGULATING RISK</b>	<p><b>VaR: a castle built on sand</b> 49 Recent research examining the performance of risk models in crises shows that they can not do the job which regulators ask of them, argues Jón Danielsson.</p>
<b>OPERATIONAL RISK</b>	<p><b>Capital allocation for operational risk?</b> 51 The Basel Committee has opened a Pandora's box by calling for capital to be set aside to cover operational risk, argues Sir Andrew Large.</p>