Financial Law Institute

Working Paper Series

WP 2001-14

December 2001



Bescherming van de belegger bij belangenconflicten in multifunctionele financiële instellingen

Marc Kruithof

© Financial Law Institute, Universiteit Gent, 2001

The **Financial Law Institute** is a research and teaching unit within the Law School of Ghent University, Belgium. The research activities undertaken within the Institute focus on various issues of company and financial law, including private and public law of banking, capital markets regulation, company law and corporate governance.

The **Working Paper Series**, launched in 1999, aims at promoting the dissemination of the research results of different researchers within the Financial Law Institute to the broader academic community. The use and further distribution of the Working Papers is allowed for scientific purposes only. Working papers are published in their original language (Dutch, French, English or German) and are provisional.

For more information and a full list of available working papers, please consult the **homepage** of the Financial Law Institute at:

http://www.law.rug.ac.be/fli

© Financial Law Institute, Universiteit Gent, 2001

© Financial Law Institute, Universiteit Gent, 2001



Abstract

This article investigates to which extent Belgian law protects the private investor in situations where the multifunctional financial institution is confronted with a conflict of interest. Both contract law and the relevant financial regulation are examined. As a conclusion, the author suggests that the present regulatory approach does not provide an effective, nor an efficient answer. As the essence of the problem is the absence of effective market forces controlling the arbitrage between conflicting interests within the financial institution, a solution should be designed to increase transparency, allowing effective competition to minimize problems.

Comments to the Author:

m.kruithof@pandora.be

© Financial Law Institute, Universiteit Gent, 2001

© Financial Law Institute, Universiteit Gent, 2001