

¹Company directors' beliefs about illegal insider trading rules in an emerging economy

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Abstract

Extant discussions of the morality of insider trading have mostly been based on theoretical arguments taken from economics and philosophy. This article seeks to identify the cultural attitudes of directors, as a key group of insiders, towards the rules of illegal insider trading. It thereby seeks to offer a starting point for beginning an inquiry into some of the reasons for cultural variation of attitudes towards illegal insider trading. Based on a qualitative field study in an emerging economy, the UAE, we find that the directors' knowledge of illegal insider trading rules is incomplete and that most directors condemn illegal insider trading based on particular cultural attitudes grounded in notions of lawfulness, fairness, professionalism, and piety.

Keywords: Insider trading; cultural attitudes; directors; field study; qualitative method

1. Introduction

This article is concerned with company directors' beliefs about insider trading and insider trading rules. This topic's relevance to the insider trading discussion springs from the international variation of insider trading rules (Assmann and Wegen, 1994; Estevan-Quesada, 1999) and the diverse practices of enforcement (Steinberg, 2001). Insofar as securities laws, rules, and enforcement practices manifest the norms of particular societies (Eisenberg, 1999) this variation suggests that the meaning of insider trading is not the same everywhere but, rather, that it varies with context. It would, therefore, seem useful to elucidate some of the particular beliefs held by key actors in the field of insider trading in order to obtain greater clarity on some of the dimensions along which they understand the complex of insider trading rules and enforcement. This article seeks to make an initial contribution in this regard by investigating the beliefs of company directors in the United Arab Emirates (UAE) about insider trading rules.

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International comparisons show that practices of securities regulation and enforcement vary widely (Assmann and Wegen, 1994; Estevan-Quesada, 1999). US regulation and enforcement tend to be regarded as particularly strict, even though they are not based on any discernible philosophical stance towards insider trading (Boyle, 1992), or even a clear definition (Cox, 1987) of insider trading: “The fact that such an aggressive level of regulation exists without a coherent, let alone articulated, philosophy of regulation is one of the most unsettling aspects of the [US] federal securities laws” (Cox, 1986, p. 634). In other countries various statutory frameworks for insider trading have been developed (Steinberg, 2001). Enforcement is frequently lacking, however: “Along with this much relaxed enforcement of statutorily strict standards in the applicable country often is found cultural attitudes acquiescing in insider trading and issuer selective disclosure practices” (Steinberg, 2001, p. 673). Before this background it becomes important to understand better the “cultural attitudes” that affect how regulators in different countries deal with insider trading.

This article seeks to begin an inquiry into cultural attitudes towards insider trading. It uses Swidler’s (1986) definition of culture as consisting of “[...] symbolic vehicles of meaning, including beliefs, ritual practices, art forms, and ceremonies, as well as informal cultural practices such as language, gossip, stories, and rituals of daily life” (Swidler, 1986, p. 273). Swidler suggests that culture should not be thought of as an overarching rulebook that determines what its members can do. Rather culture works like a “tool-kit” of acceptable objectives, outlooks, feelings, habits, etc., that constitute a learnt repertoire for building lines of connected actions in pursuit of certain ends. “Action is necessarily integrated into larger assemblages, called here ‘strategies of action’” (Swidler, 1986, p. 276). Those strategies can devise new actions but frequently draw on previously used actions or entire chains of actions. Besides actions the strategies also incorporate outlooks, feelings, and habits. “[T]he capacities from which such strategies of action are constructed” (277) are shaped by culture. Conceived as tool-kit, cultures can encompass ambiguous and even contradictory norms and values. Particular cultures are defined by typical meaningful chains of action and the specific outlooks, feelings, and habits that go with them (Swidler, 1986). Cultural attitudes or outlooks are components of strategies of action that are typical of the members of a culture.

The remainder of the article is organised as follows. The next section reviews the relevant literature. The following two sections explain the applicable insider trading regulation and the research approach. Section 5 lays out the research findings and section 6 offers some conclusions.

2. Literature review

According to the U.S. Securities and Exchange Commission, “Illegal insider trading refers generally to buying or selling a security, in breach of a fiduciary duty or other relationship of trust and confidence, while in possession of material, non-public information about the security” (SEC, 2013). In the US, insider trading is typically seen to extend to cases where insiders pass on non-public information to others who trade on it. Often insider trading is organised in groups of persons who appear to be unconnected to the insider with the price-relevant non-public information and who execute the trades for the benefit of the group including the insider (SEC, 2012).

Doubt has, however, been cast on the ability of regulators to effectively curb or prosecute insider trading (Jaffe, 1974; Langevoort, 1984; Seyhun, 1992). Important technical and definitional problems make it difficult to catch illegal insider traders (Begum, 2013; Clacher et al., 2009). Whilst the existing finance-based literature has sought to clarify what constitutes illegal insider trading, how profitable it is, and what its effects might be, it has not given rise to research that promises a practical set of measures for regulators to control illegal insider trading effectively (Bozanic et al., 2012). Despite recent suggestions that SEC activities to curb illegal insider trading can reduce trading volumes of insiders (Del Guercio et al., 2013), academic research has overall been pessimistic about the chances of effectively policing illegal insider trading comprehensively.

Moreover, and in marked contrast to the assertions of regulators and their enforcement activities, the scholarly debate on insider trading is ambiguous on the rationale for fighting insider trading. Existing prohibitions of insider trading tend to be justified with reference to the unfairness of using private information, the protection of market integrity, and allocational inefficiency (Cox, 1986; Cumming et al., 2011; Fried, 1998). Opponents to regulation argue that private information is an important motivation for trading, not only of securities, and that the notions of market integrity and allocational inefficiency do not offer robust arguments for the regulation of

insider trading (Carlton and Fischel, 1983; Manne, 1966). In opposition to those who think that the use of advance information undermines trust in the financial markets stand those information economists who point out that, for this information to have any worth it must eventually be released in the public domain and then be reflected in price changes. They argue that insider trading is an efficient mechanism for reflecting the new information in market prices (Chau and Vayanos, 2008; John and Lang, 1991), casting doubt on whether insider trading should be considered a crime. Overall, the scholarly debate of insider trading has remained inconclusive on whether the trading of securities by corporate insiders who possess information advantages over other market participants should be regulated (Krawiec, 2000).

One strategy for reframing the debate on insider trading regulation has been to shift the debate from economic arguments about costs and benefits to a discussion of the ethical grounds on which insider trading may be rejected (Strudler and Orts, 1999, p. 383). In the US context proposals were made to devise a set of rules such that “[...] those who trade on material non-public information gained through their own effort, skill, intelligence—or pure luck—should not be found to violate the general federal prohibition against insider trading. However, those who steal or misappropriate material non-public information [...] should be” (Strudler and Orts, 1999, p. 438). Such rules have not become part of regulatory practice in the US. Attempts to statutorily define key terms, such as “insider facts” or “access” to “privileged information”, have been made in other jurisdictions, however (Steinberg, 2001). Here, too, it remains problematic for the courts to establish for each case what constitutes non-public information of sufficient significance to count as insider information and what counts as an illegal means of obtaining such information. Steinberg (2001) suggested that the interpretive processes are affected by “cultural attitudes” towards insider trading.

Discussions of such attitudes have not advanced much beyond elementary distinctions between lax or strict enforcement (Steinberg, 2001). However, it is clear that cultural attitudes would affect not only regulators but equally potential perpetrators and investors, who may regard insider trading, for example, as inconsequential, normal business practice, efficiency-enhancing, harmful to securities exchanges, unethical, etc. Different combinations of these and other

attributions by regulators, insiders, and investors can give rise to particular cultural attitudes towards insider trading.

Here it is important to understand such attributions not simply as “values” that “attach” to particular investment and trading practices. In a seminal article on the sociology of culture, Swidler (1986) suggested that under changing circumstances actors do not hold on to values. Conceiving of culture as a tool-kit, Swidler suggested that members of a culture would rather hold on to strategies of action, that is, their practised ways of assembling purposeful chains of actions (Swidler, 1986). Cultures contain complex assortments of ends that actors can variously pursue. They are also characterised by genuine dilemmas that justify the pursuit of seemingly opposing ends simultaneously. By focusing on actors’ strategies of action studies of practice try to capture some of the complexity that arises from the importance of any complex culture’s varied and partly contradictory ends and values.

The notion of strategies of action emphasises familiar chains of actions, habits, and routines as the context for the cultural attitudes of a group, but it also points towards the need to understand those actions strategically. Whatever a group does is part of strategies that reckon with the actions of other groups. The cultural attitudes towards insider trading should therefore be understood holistically, arising out of interaction between groups and not just as a product of unthinking tradition or the contemplation of individuals or individual groups in isolation. Even though cultural attitudes towards insider trading should be understood holistically it is possible to study the attitudes of individual groups—so long as their attitudes are put in the context of the attitudes and strategies of the other groups with whom they interact or to whose strategies they respond.

The present study examined the cultural attitudes of one group of key actors in the field of insider trading, namely, company directors. The study was carried out in the UAE, an emerging economy with a fragmented regulatory context (Khalifa, 2012) as well as a relatively short history of securities exchanges and insider trading regulation (Saidi, 2009), in which the definition of insider trading had only recently been tightened by the authorities in order to encompass a greater variety of situations (Remo-Listana, 2010). An emerging economy offers a simpler field of research for an initial study into some of the key aspects of cultural attitudes towards

insider trading because it is characterised by shorter commercial and regulatory traditions.

3. UAE insider trading regulations

Before explaining the research approach used in the study, it is useful to give a brief summary of the existing regulations on insider trading in the UAE. The UAE insider trading regulations were issued by councils of ministers or the board of the UAE's Securities and Commodities Authority (SCA). Their scope includes who shall count as an insider, the conduct of insiders when trading the securities of their company, specific time periods during which insiders may not trade in those securities, particular procedures that insiders must follow when trading, and penalties for non-observance.

Article 37 of the Federal Law No. 4 of 2000 forbids the trading of securities based on undisclosed information that could affect prices. Article 38 says that insiders must register their trades with the exchange and seek approval of the board of directors. Article 39 specifies that no person may trade securities based on non-public information "acquired by virtue of his position", and that no person must spread rumours about trades. Articles 41 and 42 specify financial and imprisonment penalties for contravention.

Article 36 of Decision No. 3/R of 2000 specifies that listed companies must provide the SCA and the exchange with information on the number of shares owned by the board of directors and all trades undertaken by the directors and executive management. Article 37 reiterates the provisions of Article 39 of the Federal Law No. 4 of 2000 and specifies financial and imprisonment penalties as well as a series of escalating sanctions for the SCA to apply to violators. Article 38 reiterates the requirement of prior notification of the exchange of dealings by directors and specifies penalties.

Article 17 of Decision No. 12 of 2000 extends the requirement of prior notification of the exchange to dealings by directors, chairman of the board, general manager, and any employees, and mentions explicitly dealings in listed securities of parent company, subsidiaries or sisters.

Article 14 of Decision No. 2/R of 2001 forbids trading by the chairman, directors, the general manager, or any employees of listed companies who know “fundamental data of the company” during two exclusion periods. The first one is 10 working days before the disclosure of any price relevant significant information. The second one is 15 days before the end of the financial reporting quarter and until the disclosure of the respective financial statement has been made. Article 15 voids any trades by anybody who traded on the basis of non-public information acquired through his or her position, or by the chairman or a director or an employee who exploited inside information. Article 16 forbids trades that are intended to give the impression to the investing public that an active market for the traded security exists or to manipulate the price of all trading in that security. It also forbids “entering, amending and/or cancelling a purchase or sale order” with those intentions. Article 17 forbids the exploitation of information of investors’ orders for one’s own or others’ personal benefit.

4. Research approach

Focusing on the UAE context, the present research project examined the beliefs about insider trading of directors of listed companies that fall under the SCA regulations on corporate governance. This excludes listed financial institutions whose governance is covered by central bank regulations and not the SCA. In analysing the beliefs of directors we distinguish between their presumed knowledge of the insider trading rules and their opinions about insider trading and insider trading regulations. We thereby seek to answer calls for the use of qualitative methods in governance research (Ahrens and Khalifa, 2013; McNulty et al., 2013).

4.1. Research method

Structured interviews were held with 18 directors of public listed companies subject to the corporate governance regulations of SCA. Financial institutions are exempt from its rules. The interviews had two objectives. They sought to elicit the respondents’ knowledge of the illegal insider trading rules as well as their views on insider trading. The number of respondents was chosen to reach theoretical saturation. This is the point at which no new information is yielded by additional interviews on a topic (Silverman, 2006).

The research objective of ascertaining the extent to which directors knew the insider trading rules required that subjects did not have an opportunity to look up the rules.

We therefore chose to interview the subjects, and we did not specifically announce that the interview would be about insider trading. Instead the subjects were told that the interviews would address the role of directors in the corporate governance of listed companies. In this way the subjects were required to explain the insider trading rules without being able to consult any written documents. This research setup also facilitated the spontaneous articulation of the directors' beliefs about insider trading and the ways in which UAE regulation, in their view, sought to deal with insider trading.

4.2. Data

The research used interviews collected during a field research project on UAE corporate governance practices. The research instrument was a structured interview protocol for board directors. Interviews were audio recorded. The 18 directors interviewed held a combined total of 32 directorships. Those 32 directorships extended over 18 individual listed non-banks. This constituted 24% of the UAE's non-banks listed on stock exchanges. Interviews lasted on average for 53 minutes.

4.3. Data analysis

To analyse the data all interviews were transcribed. Portions of interviews that were conducted in Arabic were translated into English. The names of interviewees were removed from interview transcripts in order to protect the anonymity of the subjects. Interviews were coded using a qualitative data analysis software (NVivo). The main code categories used for the analysis of insider trading were the knowledge of insider trading rules held by subjects, subjects' views on the insider trading rules in general, and subjects' perceptions of the UAE investment context in general.

5. Research findings and discussion

The research findings are presented in two parts. The first part reports on directors' knowledge of insider trading rules. It suggests that many directors are not fully aware of the regulatory definitions of illegal insider trading. Interviewees did, however, possess general knowledge of what constituted insider trading. They also tended to know the topics addressed by the rules.

The second part discusses the subjects' cultural attitudes towards insider trading. It is structured around the question of whether they believed that it was socially

harmful. For a variety of reasons, most directors believed that insider trading was indeed harmful to society.

5.1. Board members' knowledge of insider trading rules

Our analysis of the knowledge of directors of insider trading rules distinguishes between directors who have no knowledge, elementary knowledge, and good knowledge of insider trading rules. We will discuss those three groups in turn.

Three directors declared little or no knowledge. Asked what the insider trading rules were, they stated:

“I don't have much knowledge about that and I am not very much into insider trading basically in the UAE” (Director 11).

“I'm really not aware of it but it is really exposing, revealing information which could affect the share in the market” (Director 12).

“What do you mean by insider trading?” (Director 16).

These responses came as a surprise to the researchers because the topic of illegal insider trading had been a prominent theme in the business press. Also, as shown in section 3, UAE regulation had been addressing insider trading since 2000. A lack of knowledge on insider trading rules among directors can undermine the regulatory regime. Relevant in this regard is also the reaction of Director 18 who did not answer the question about his knowledge of insider trading rules. He talked instead about the importance of implementing corporate governance rules such as those on insider trading. Even though the number of directors interviewed for this study does not allow us to draw statistically robust conclusions about the population of directors in the UAE, it is quite possible that a substantial portion of directors may not be sufficiently aware of the insider trading rules.

We classified directors as having elementary knowledge of the insider trading regulation if they showed some knowledge of the rules about the exclusion periods that limited the trading in company securities and/or some knowledge of the rules on the disclosure of trading by company insiders. Table 1 shows that five directors qualified as possessing elementary knowledge of insider trading rules thus defined:

Interviewee	Specific time period	Disclosure of dealing in company shares
1	X	X
7	X	X
8	X	
14	X	
15	X	X

Table 1: Directors with elementary knowledge of insider trading rules

As board members with good knowledge of the rules we classified those who possessed, beyond the elementary knowledge, also some knowledge of the rules of prior approval of insider trading by the board of directors and the SCA, the disclosures on share ownership by board members and company officers, and the insider definitions of the relatives of insiders. Table 2 shows that six directors had good knowledge of the rules thus defined:

Interviewee	SCA Approval of the transaction	Declaration of ownership of company shares	Relatives as insiders
5	X		
6	X		
9			X
10		X	X
13		X	X
17		X	X

Table 2: Directors with good knowledge of insider trading rules

We note that no directors discussed any of the rules pertaining to penalties for insider trading.

Also, four directors (2, 3, 4, and 16) in this study did not reveal the extent to which they knew the rules. Directors 2, 3, and 4 were interviewed at the beginning of the study. They were not asked directly what they knew about insider trading but a more general question (“What do you think about insider trading?” or “What do you think about the insider trading rules here in the UAE?”). Since this did not make them talk about their knowledge of the rules in subsequent interviews the question was changed. As Mentioned before, Director 16 was asked about his knowledge of the rules but evaded the answer.

In summary we found the following distribution of directors across the 4 categories:

Directors' knowledge of insider trading rules	Number of directors	Percentage
No or little knowledge	3	17%
Elementary knowledge	5	28%
Good knowledge	6	33%
Not revealed	4	22%
Total	18	100%

Table 3: Summary of directors' knowledge of insider trading rules

A pessimistic view of those findings might hold that it is insufficient that only one third of the respondents possess what we classified as good knowledge. As guardians of good corporate governance the directors must possess full knowledge of the insider trading rules. By contrast, a more optimistic view might consider the relatively short history of the UAE securities markets and view the fact that over 60% of the subjects in this study had either good or elementary knowledge of the rules as an encouraging sign.

5.2. Board directors' cultural attitudes towards insider trading

This section elucidates the sorts of cultural attitudes which transpired through the directors' explanations of their beliefs about insider trading rules. Care is taken to not just give a summary of expressed views but to situate some of the views and arguments in the cultural space in which they can underpin directors' strategies of action vis-a-vis other relevant groups of corporate governance actors, such as company owners, financial institutions, executive management, regulators, and the media. This, we argued in the literature review, characterises an account of cultural attitudes.

Of the 18 board members who participated in the study only Director 11 suggested that insider trading may have some good effects, such as adding liquidity to securities trading. He said that in a relatively small country it was common for business people to do each other favours by tipping if their companies were about to publish price relevant information. He thought that the advantages conferred upon insiders were unfair but felt this was a common occurrence worldwide and not one that could be successfully policed.

The other directors either spoke out against insider trading or in support of the regulation and policing of insider trading. A small number of categories emerged to classify their arguments against insider trading. These were: legality, ethicality, fairness, professionalism, and, in only one case, piety.

Directors 6, 9, 10, 12, 13, and 16 emphasised in their explanations the law on illegal insider trading as the main reason why one should avoid it. They added frequently that they regarded insider trading as unethical. For them, the law informed their conduct as board directors such that any strategies of action they pursued had to consider the legal dimension of their directorships. The law was not just an additional consideration that imposed certain constraints on directors. Rather, it constituted a key dimension along which directors saw themselves interact with the public and define the ethicality of their conduct as seen through the eyes of owners, regulators, and the public at large. Unsurprisingly, perhaps, four of those six directors had good knowledge of insider trading rules. It seems plausible that better knowledge of rules can strengthen sentiment against illegal actions.

Directors 2, 4, 5, 8, and 18 rejected insider trading principally because it violated notions of “fairness”. The unfairness related to the inside trader’s advantages over other investors. The argument of these directors sidesteps the institution of the law and draws instead on a perceived social consensus on fair dealing. With the exception of Director 5, this group did not possess good knowledge of the insider trading rules. Again, it is plausible that directors with less knowledge of the rules are less likely to appeal to the law in supporting their rejection of illegal insider trading. These directors located the outlooks that could inform their own strategies of action in a common sense context rather than a technical-legal context. For them, general notions of fairness could produce a good guide to insider behaviour because they located such behaviour in the ethics of interpersonal relationships. Part of those ethics was to act fairly, but also to act in ways befitting of the elevated social status of a director. Insider trading was often described as “cheap” and unworthy of a, typically already well-off, director. Directors expected their peers to serve as role models for others in the community at large.

Directors 7 and 17 made a different appeal to social consensus. Appealing primarily to an ethics of formal work roles they labelled illegal insider trading as “unprofessional”. This outlook fit into strategies of action that encounter other members of their sphere of work, including peers but also regulators and the stakeholders of companies in whose interest they are supposed to act as directors. Again, the director is seen as a role model but in this instance more narrowly conceived in the work context.

Director 15, finally, made reference to the rules of Islam by referring to illegal insider trading as “haram”². He was the only interviewee who invoked the sphere of religious ethics. For all other subjects the topic of insider trading could be explained with secular references. Director 15 did not give the impression that he saw insider trading as a primarily religious problem. Rather, he did not separate the sphere of religious rights and wrongs from the secular, as many people in the Gulf region do.

Those four categories of cultural outlooks reject illegal insider trading. They are: the illegal, the unfair, the unprofessional, and the religiously forbidden. We also have the apologist cultural outlook articulated by Director 11. Each outlook situates the speaker in a different context. As they imagine different groups of interlocutors they also delineate different possibilities for developing strategies of action.

The apologist outlook regards the incentives of illegal insider trading as stronger than the various perspectives rejecting it. Moreover, it discounts the possibility of successful enforcement of the law on illegal insider trading. As a strategy of action it remains hidden away from the public registers of share ownership and trading disclosures and it imagines as its key interlocutors the networks of insider tippers and their frontmen on the one hand, and the enforcement agencies on the other.

The cultural outlook focusing on the legal meanings of illegal insider trading is technically orientated towards formal sanctions that might flow from such activities, and it is also sensitive to implications for status and reputation.

The cultural outlook that emphasises notions of fairness is more broadly oriented towards what any sensible person might find appropriate. This cultural outlook does

² Arabic term for “forbidden” used in the context of religious prohibitions.

not give very clear guidance on what directors are or are not to do but rather leaves much of the burden of navigating the field of illegal insider trading to them. It remains somewhat detached from the legal consequences of wrongdoings—a strain that ran through all interviews insofar as no director mentioned the penalties specified in the insider trading rules.

The cultural outlook that conceived of the avoidance of illegal insider trading as part of being a professional narrowed the reference group to members of the sphere of work, but also appealed to the significance of the law on insider trading.

Finally, the cultural outlook that regarded illegal insider trading as sanctioned by religious rules was suggestive of a wide-ranging and general moral compass in which religion suffuses all aspects of the social and all people are ultimately accountable to God. In this, illegal insider trading is no different than any other wrongdoing.

The cultural outlooks elicited from the interviews with directors were thus distinguished by the ways in which they fit into different imagined relationships with other significant groups in the field of insider trading and corporate governance. They also showed important elements of overlap, however. These areas referred often to cultural attitudes that arose from shared constraints and opportunities among all directors. Chief among these was the size of the UAE and the ways in which the country's business elite forms a relatively close-knit community that is conducive to fast informal exchanges of information. Interviewees commented variously on how this makes the policing of illegal insider trading difficult. The close-knit business community was, however, also connected to the interviewees' notion that the status and reputation of directors might counteract incentives to trade illegally. In a close-knit community the policing of status and reputation are more thorough. More significance can also be accorded to the ways in which individual directors can become role models through their conduct. These ideas made up an important element of the social relationships of directors and the ways in which they might pursue certain strategies of action vis-a-vis the groups who are party to these relationships.

6. Conclusions

This article was motivated by the observation of international variation in the traditions of regulating insider trading and enforcement practices. It suggested culturally specific attitudes towards insider trading that might be associated with specific ways of imagining how insiders can pursue various strategies vis-a-vis other groups of insiders, company stakeholders, regulators, etc. This idea drew on the notion of “culture as tool-kit” (Swidler, 1986). The article sought to begin an inquiry into such cultural attitudes by analysing a set of interviews with directors of listed companies in the UAE.

The analysis identified a number of outlooks that distinguished between the grounds on which directors rejected illegal insider trading: the illegal, the unfair, the unprofessional, and the religiously forbidden. These views were distinct from the outlook elaborated by one director who did not condemn illegal insider trading because he thought it was a common occurrence worldwide that facilitated the functioning of securities markets and that was unlikely to be policed effectively. The different cultural outlooks expressed by the directors fit into different notions of how insiders might frame their strategies of action against regulators, company stakeholders, various professional groups, and the general public. The cultural attitudes were thus expressions of different meaningful ethical spaces in which insiders can act. Beyond such imaginings, however, reference was also made to concrete social relationships, such as the degree of connectedness between members of a country’s business elite and the informal circulation of price-relevant “non-public” information. Little elaboration was offered, however, on the nature of such information and the point at which it should be regarded as having become so widespread that it ceases to be non-public.

An important limitation of the present study is the relatively small number of directors interviewed and the limitation to one emerging economy. We do not claim to have produced an exhaustive list of the relevant cultural attitudes towards illegal insider trading. Our aim was merely to argue for the usefulness of understanding better what those attitudes might be and to begin an inquiry into some of the attitudes that might be relevant. In corporate governance research generally, qualitative studies of directors and other insiders are still relatively rare (McNulty et al., 2013), even

though many have suggested that they hold considerable potential to advance the field (Ahrens et al., 2011; Buchanan et al., 2014; van Ees et al., 2009; Gabriëlsson and Huse, 2004). Further research could add to, and refine the attitudes suggested here, as well as trace in greater detail the ways in which the attitudes might inform culturally specific practices of insider uses of price-relevant information.

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