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## JPMorgan's Trading Compliance Has No Normative Trajectory

by [Nick Clark](#) | Published March 27, 2026 | [PDF](#)

JPMorgan operates one of the most sophisticated trading compliance infrastructures in financial services. Its systems evaluate transactions against regulatory requirements, monitor for prohibited patterns, and flag anomalies for human review. But compliance evaluation is per-transaction. The system has no persistent normative state tracking whether the overall trading behavior pattern remains consistent with its declared ethical framework. A trading desk can drift toward boundary-testing behavior without any single trade triggering a violation. Integrity coherence addresses this structural gap.

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### What JPMorgan built

JPMorgan's compliance infrastructure processes enormous transaction volumes through rule-based filters, pattern detection algorithms, and anomaly identification systems. The technology stack includes real-time surveillance, post-trade analytics, and regulatory reporting automation. The investment in

compliance technology runs into billions and reflects the scale of the regulatory obligations the firm manages across multiple jurisdictions.

Each transaction is evaluated against a comprehensive set of rules: position limits, concentration thresholds, prohibited counterparty checks, sanctions screening, and market manipulation pattern detection. Transactions that satisfy all rules proceed. Those that trigger flags are routed to compliance officers for review. The system is designed to catch violations at the point of execution.

## The gap between rule compliance and normative consistency

The structural limitation is that rule compliance and normative consistency are different things. A trading desk that consistently operates near but within position limits is rule-compliant. A desk that gradually shifts its trading pattern to exploit regulatory gray areas is rule-compliant. A desk that increases its use of complex instruments to achieve positions that would not be permitted in simpler form is rule-compliant. Each of these patterns represents normative drift that the per-transaction evaluation system cannot detect.

The history of financial misconduct demonstrates this pattern repeatedly. Boundary-testing behavior proceeds through individually compliant transactions whose cumulative pattern diverges from the firm's stated risk and ethical posture. By the time a specific transaction finally crosses a line, the behavioral trajectory has been drifting for months or years. The compliance system catches the violation. It misses the drift.

## Why surveillance analytics are not normative state

JPMorgan employs sophisticated surveillance analytics that look for statistical anomalies in trading patterns. These analytics can detect unusual concentrations, abnormal profit patterns, and correlated trading across desks. They measure outcomes and statistical properties of behavior. They do not maintain a persistent model of what normative trading behavior looks like for a specific desk, trader, or strategy and continuously compute deviation from that norm.

Normative state tracks not what happened but how what happened relates to what should have happened given the agent's established trajectory. The deviation function is not an anomaly detector. It is a consistency monitor that maintains a continuously evolving model of the agent's behavioral baseline and computes the distance from that baseline in real time.

## What integrity coherence enables

With a three-domain integrity model, each trading desk or algorithmic strategy maintains persistent normative state. Behavioral integrity tracks whether execution patterns remain consistent with established norms. Normative integrity monitors whether the principles governing trade selection remain stable. Narrative integrity ensures that the account the desk would give of its trading rationale remains coherent over time.

When a desk's trading pattern gradually shifts toward more aggressive positioning, the deviation function detects it before any individual trade violates a rule. The coping intercept mechanism can trigger a structural review: not a suspension of trading, but a formal reassessment of whether the current behavioral trajectory is consistent with the desk's declared risk posture. The correction happens at the level of normative trajectory, not at the level of individual transactions.

Cross-desk integrity comparison enables the firm to detect when one desk's normative position has diverged from peer desks or from the firm's overall ethical baseline. This is not correlation analysis. It is normative consistency monitoring across the organization.

## The structural requirement

JPMorgan's per-transaction compliance is thorough. The gap is longitudinal normative consistency: the ability to track whether the cumulative pattern of compliant decisions maintains alignment with the firm's declared values over time. Integrity coherence provides persistent deviation tracking, the coherence trifecta for self-assessment, and coping intercepts that engage at the level of behavioral trajectory rather than individual violations. Compliance tells you whether a trade is legal. Integrity tells you whether the pattern of trading is consistent with what you said you would do.

[Integrity & Coherence All 21 steps →](#)

Track normative consistency. Detect deviation. Self-correct.

Primary Technical Disclosure

[◦ The Coherence Trifecta: Empathy, Integrity, and Self-Esteem as a Unified Control Loop](#)

Secondary Technical

[◦ Coping Under Empathic Pressure: HSP, Narcissism, and Psychopathy as Control-Loop Intercepts](#)[◦ Three-Domain Integrity Model](#)[◦ Deviation Function  \$D=\(N-T\)/\(ExS\)\$](#) [◦ Self-Esteem as Internal Validator](#)[◦ Deviation as Deterministic Semantic Mutation](#)[◦ Integrity Structural Placement](#)[◦ Empathy as Distributed Moral Load](#)[◦ Coherence Trifecta Control Loop](#)[◦ Coping Intercept Patterns](#)[◦ Integrity Deviation Logging](#)[◦ Integrity Collapse Detection](#)[◦ Redemption Engine](#)[◦ Moral Trajectory Forecasting](#)[◦ Integrity-Aware Trust Slope Validation](#)[◦ Integrity-Confidence Cross-Primitive Coupling](#)[◦ Integrity-Modulated Discovery Traversal](#)[◦ Integrity-Aware Multi-Agent Negotiation](#)[◦ Biological Signal Coupling for Integrity](#)[◦ Policy-Based Integrity Constraints](#)[◦ Integrity Field Portability](#)[◦ Predictive Deviation Alerting](#)[◦ Governed Forgetting](#)[◦ Predictive Social Modeling](#)

Applications (General)

[◦ Autonomous Vehicle Ethical Decision-Making Through Computable Integrity](#)[◦ Financial Trading Systems That Track Their Own Normative Consistency](#)[◦ Integrity and Coherence for Legal Advisory Agents](#)[◦ Integrity and Coherence for Government Policy Agents](#)[◦ Integrity and Coherence for Journalism Editorial Agents](#)[◦ Integrity and Coherence for Environmental Compliance Agents](#)[◦ Integrity and Coherence for Insurance Underwriting Agents](#)[◦ Integrity and Coherence for Social Media Moderation Agents](#)

Applications (Specific)

[◦ Waymo's Ethical Decisions Have No Normative Memory](#)[◦ Cruise's Safety System Cannot Track Its Own Consistency](#)[• JPMorgan's Trading Compliance Has No Normative Trajectory](#)[◦ Palantir's Analytics Cannot Monitor Their Own Normative Drift](#)[◦ Aurora's Self-Driving Stack Has No Normative Memory](#)[◦ Nuro's Delivery Robots Optimize Without Normative Tracking](#)[◦ Zoox Plans Maneuvers Without Tracking Normative Drift](#)[◦ Motional Validates Safety Without Governing Normative Trajectory](#)[◦ Argo AI's Shutdown Reveals the Cost of Missing Normative Architecture](#)[◦ comma.ai Learns to Drive Without Learning Ethics](#)

[Integrity & Coherence overview →](#)

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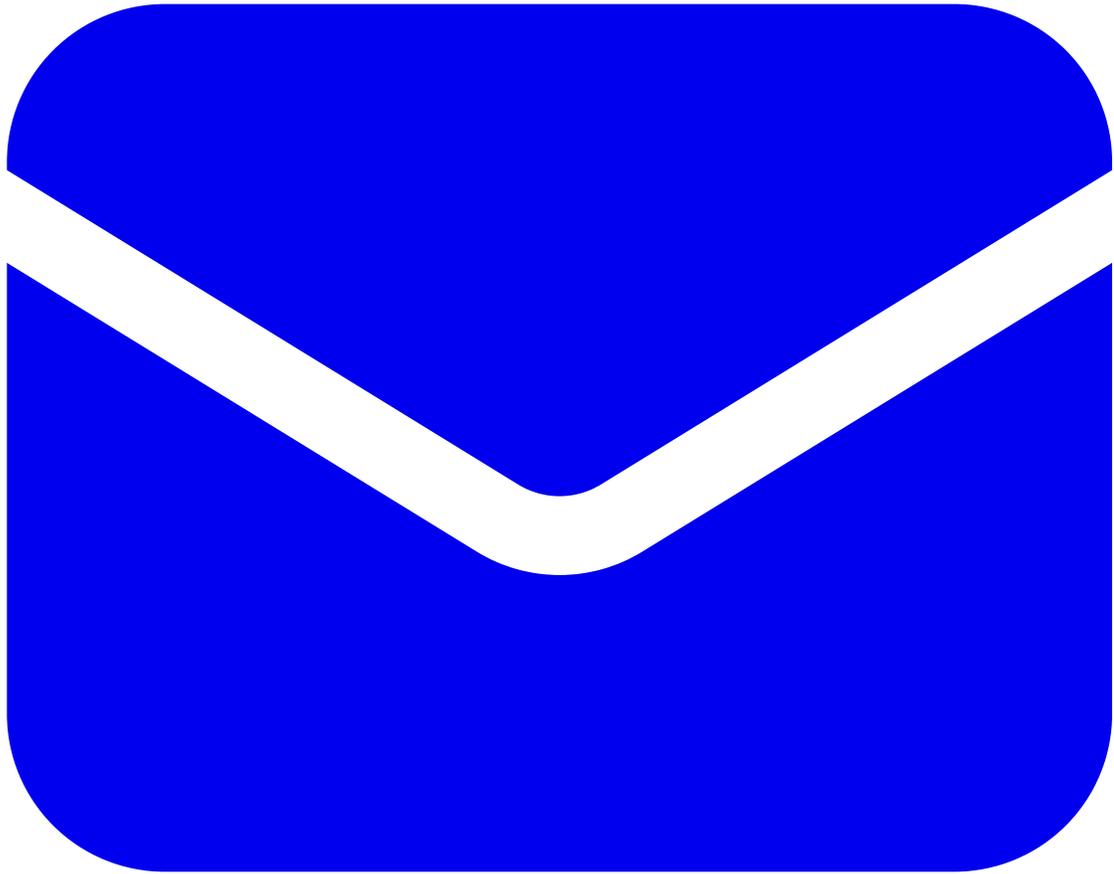
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