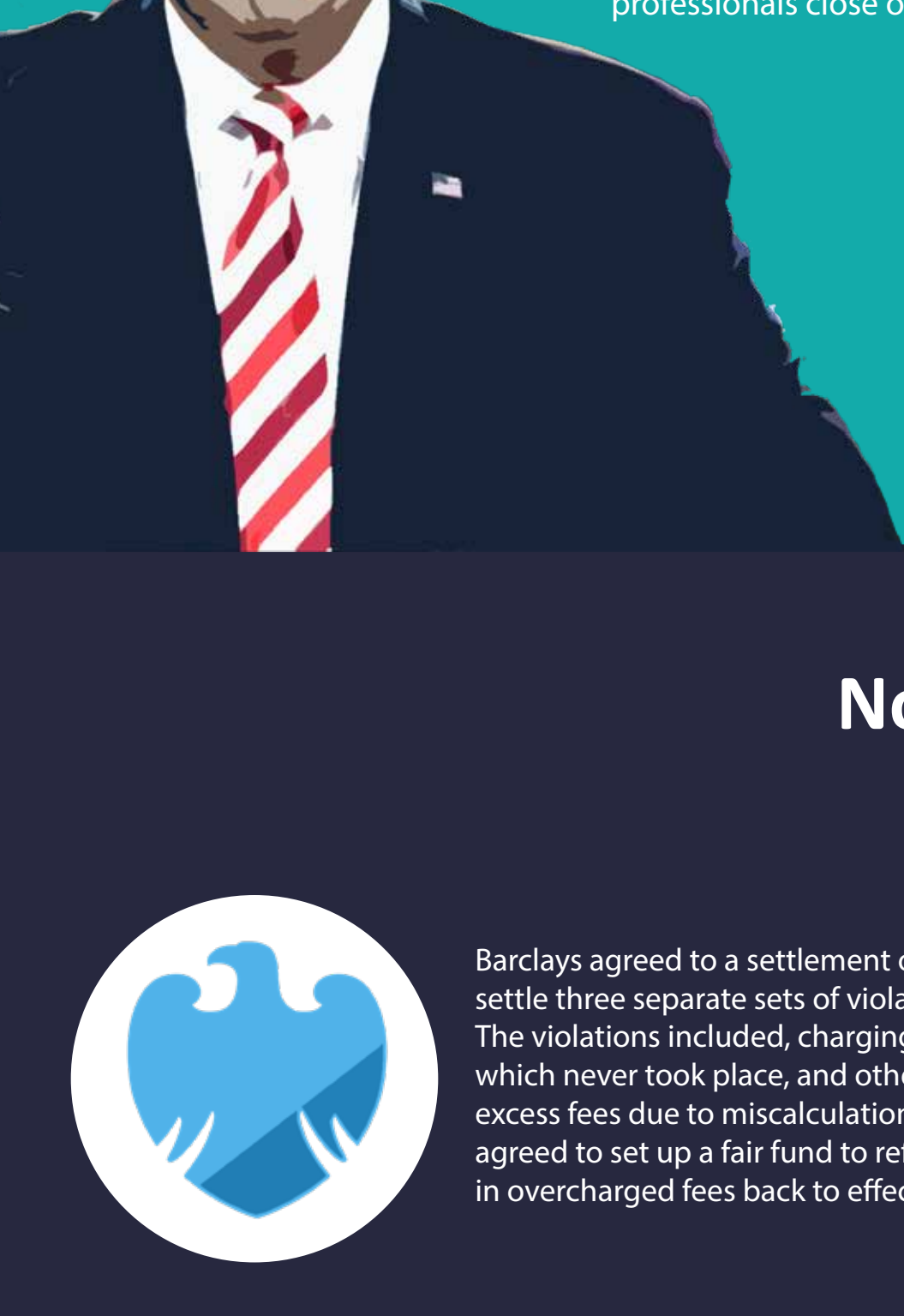


# Compliance & Ethics in Review

## 2017



2017 began under the new Trump administration. In the US and internationally, Compliance and Risk Officers watched to see how the new administration would impact legislation and regulatory enforcement. As the year draws to a close, we at MCO have compiled the top stats and key milestones that impacted the compliance and ethics profession. Our hope is to provide a graphic recap to help industry professionals close out 2017 and prepare for 2018.

### 2017: What We Saw

Initially called a "Wait and See" year by Compliance and Ethics Experts, 2017 brought significant enforcement actions in the US and internationally.

### Notable Cases & Settlements in the US and Abroad



Barclays agreed to a settlement of \$97 million with the SEC to settle three separate sets of violations for overcharging clients. The violations included, charging clients for due diligence fees which never took place, and other account holders paying excess fees due to miscalculations and billing errors. Barclays agreed to set up a fair fund to refund the reported \$50 million in overcharged fees back to effected clients.

Fat Leonard and the US Navy. The 'Fat Leonard' corruption scandal expand to include more than 60 admirals and hundreds of US Navy officers for their contact and dealings with 'Fat' Leonard Glenn Francis. The number of Navy admirals who are under investigation doubled from 2016.



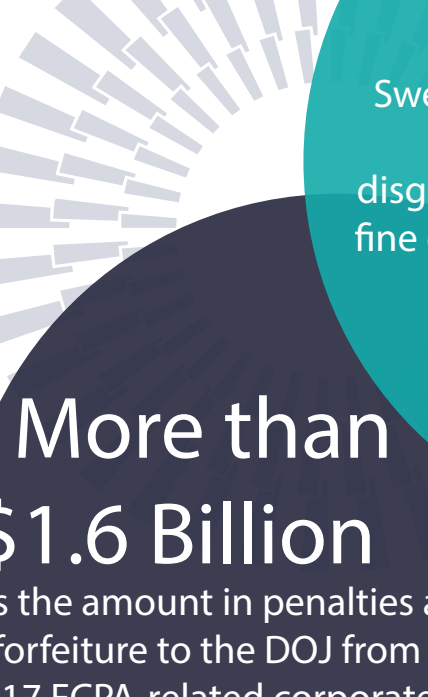
The technology giant Google was fined €2.4 billion by the EU for using its position as the leader of internet search to illegally promote its own content ahead of its competitors. The fine, which followed a 7 year investigation, is a new record.

Rolls-Royce agreed to a €671 million settlement with UK and US authorities for charges of corruption and bribery.



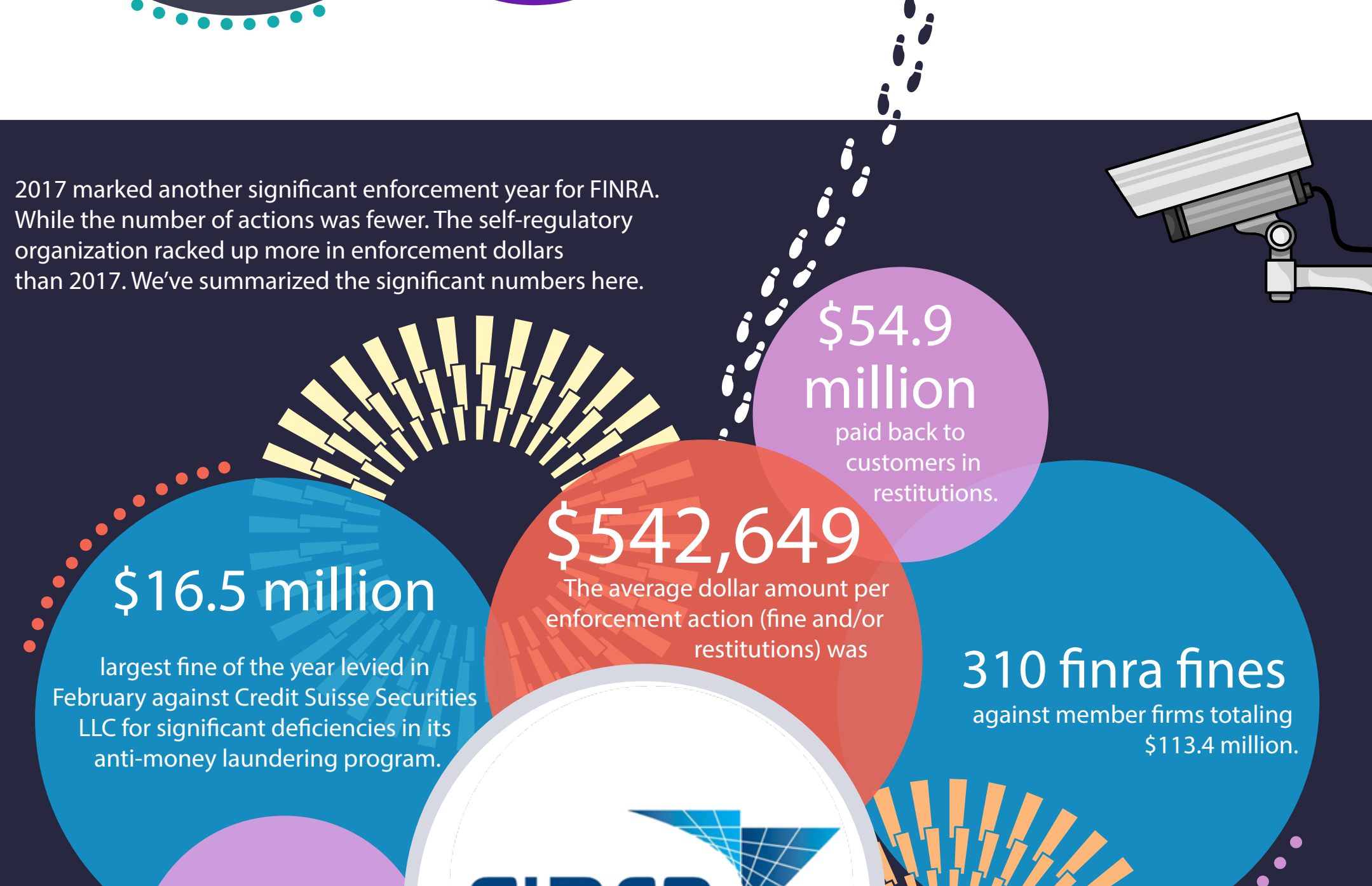
Deutsche Bank was fined £163 million by the FCA, the largest penalty imposed by the FCA and former FSA for anti-money laundering related misconduct to date. The German bank also settled for \$41 million with the US Federal Reserve. Both cases were related to an alleged \$10 billion laundered out of Russia.

Lee Jae-yong in one of the most high-profile corruption scandals from 2017, the South Korean vice chairman of Samsung was found guilty of corruption for 'bribery, embezzlement and perjury'.



In the UK, The Financial Reporting Council fined PriceWaterHouseCooper a record £5.1 million for misconduct during their audit of RSM Tenon group in 2011.

The following data reviews significant FCPA-related announcements, trends and enforcement actions from the Department of Justice (DOJ) and the Securities and Exchange Commission (SEC).



2017 marked another significant enforcement year for FINRA. While the number of actions was fewer, the self-regulatory organization racked up more in enforcement dollars than 2017. We've summarized the significant numbers here.



### SEC: Year in Review

While leadership changed at the SEC's Enforcement Division in 2017, the numbers issued in the annual report show a "successful and impactful year."



### SEC Enforcement Actions

754 Enforcement Actions

196 were "follow-on" proceedings seeking bars based on the outcome of Commission actions or actions by criminal authorities or other regulators;

112 were proceedings to deregister public companies-typically microcap-that were delinquent in their Commission filings.

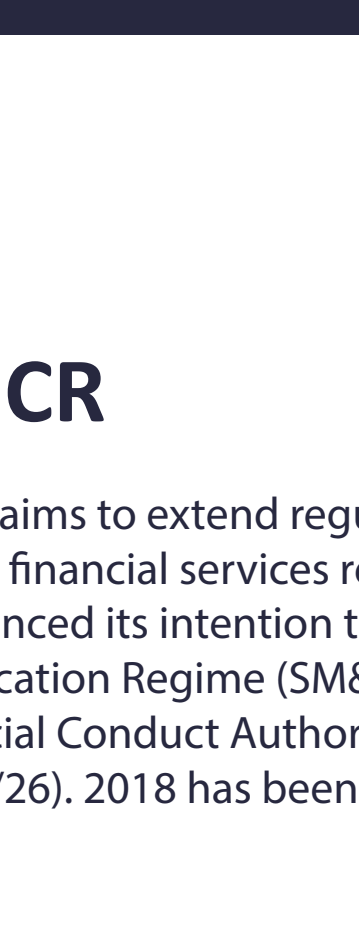
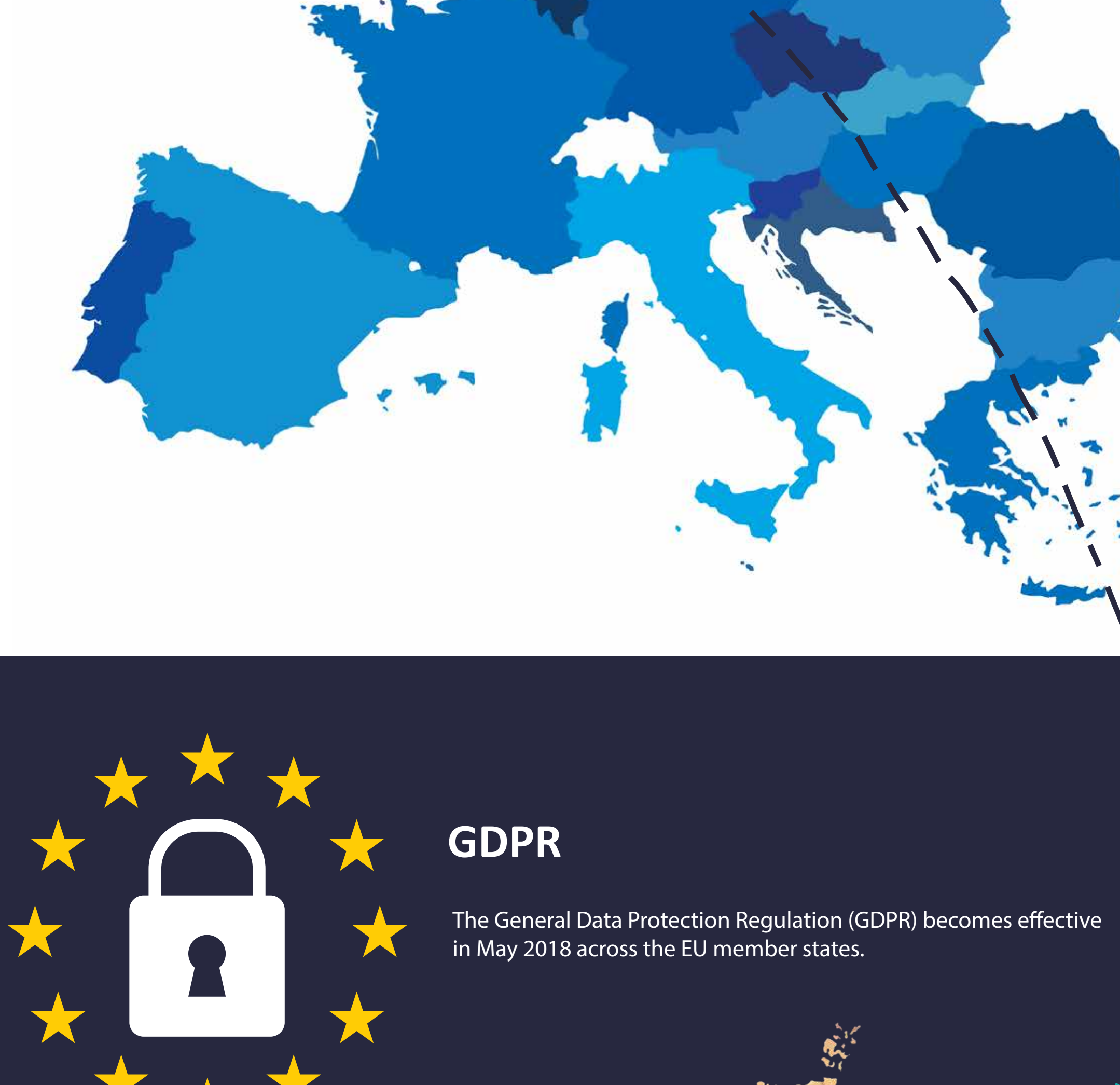
### Five Core Principles

In the Annual Report, the Co-Directors of the U.S. Securities and Exchange Commission's Division of Enforcement shared the five core principles that will guide their decisions making in the future:



### Meanwhile, in Europe

Internationally, compliance and risk professionals face changing regulatory responsibilities in the forms of GDPR and SMCR.

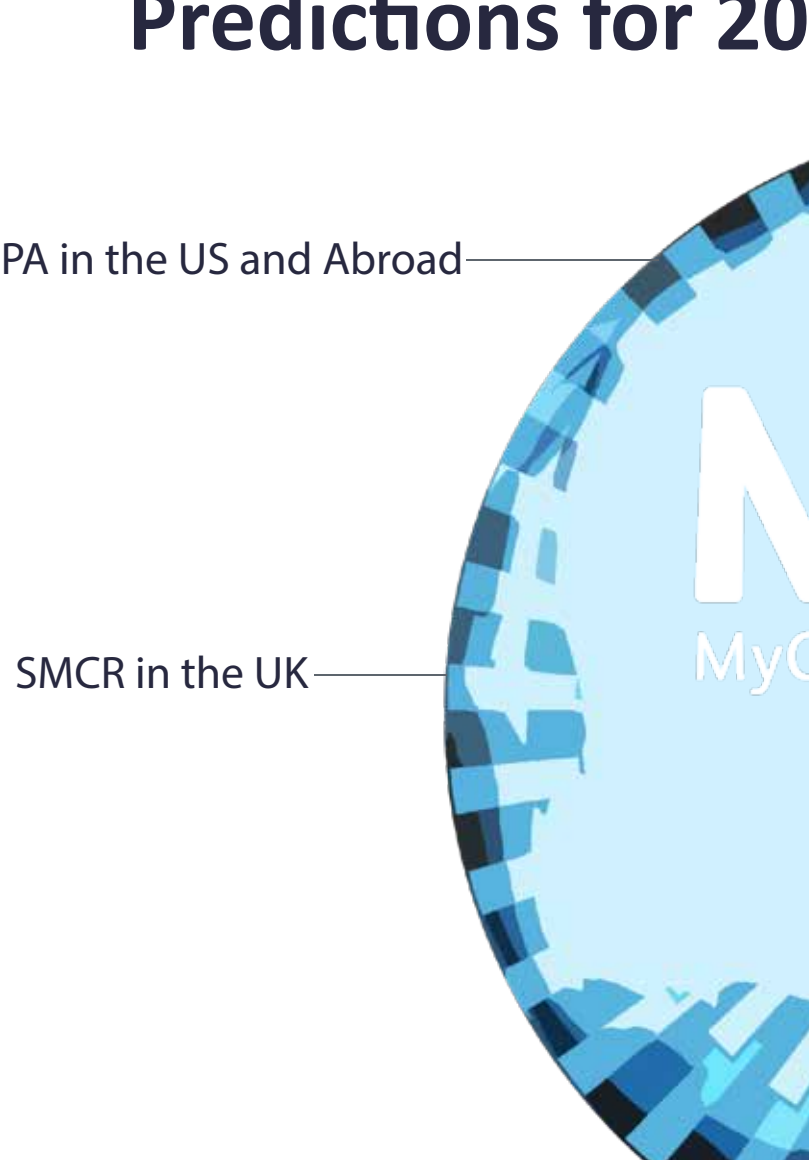


### GDPR

The General Data Protection Regulation (GDPR) becomes effective in May 2018 across the EU member states.

### SMCR

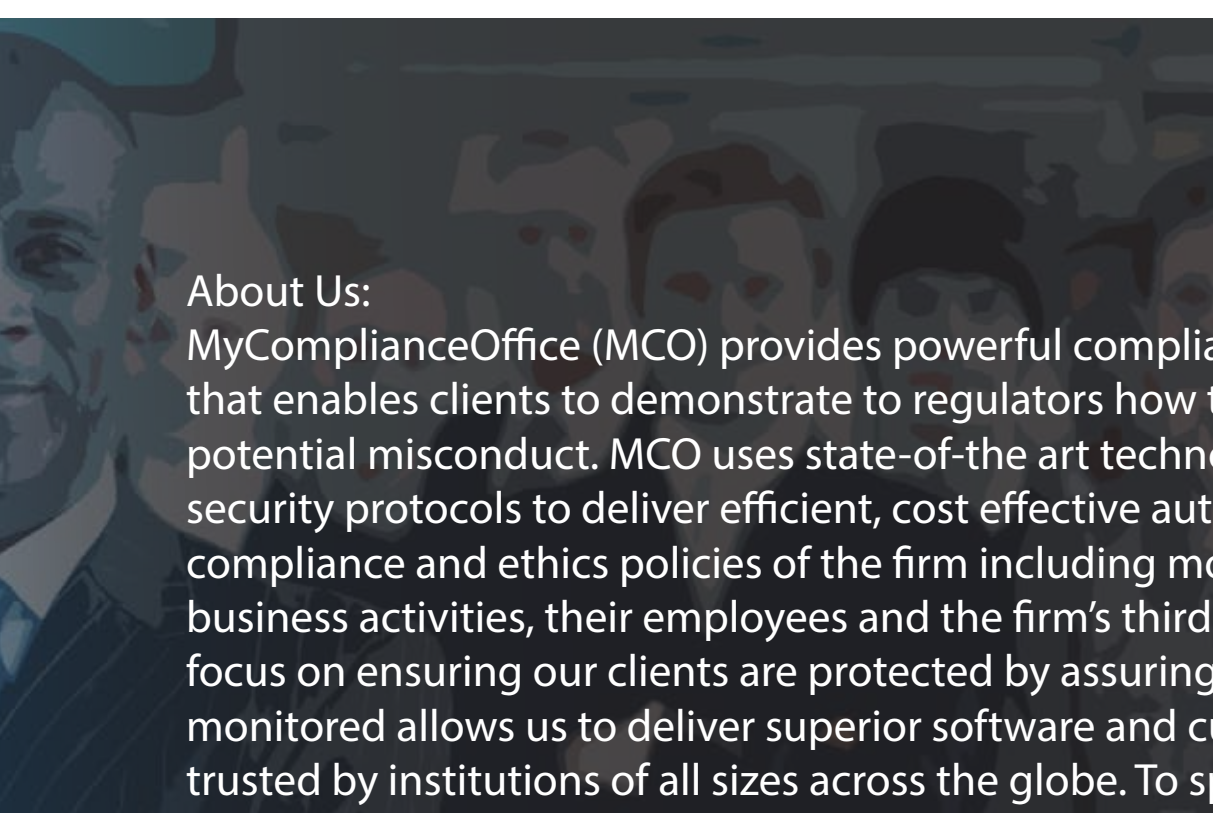
SMCR aims to extend regulatory accountability to the senior managers within financial services regulated by FCA. In October 2015, HM Treasury announced its intention to extend the Senior Managers and Certification Regime (SM&CR) to almost all regulated firms. In July, the Financial Conduct Authority (FCA) published their Consultation Paper (CP17/26). 2018 has been earmarked for implementation.



### Sapin II

As of June 1, 2017, companies with more than 500 employees and their directors are required to implement Sapin II, a French compliance program against corruption and trading in influence, inspired by the UK Anti-Bribery Act and new Brazilian Anti-Corruption regulation.

### Predictions for 2018: Regulatory Areas to Watch



FCPA in the US and Abroad

Sapin II in France

SMCR in the UK

GDPR in the EU

SEC's 5 Core Enforcement Principles in the US

About Us: MyComplianceOffice (MCO) provides powerful compliance software solutions that enables clients to demonstrate to regulators how they address risks of potential misconduct. MCO uses state-of-the-art technology and optimal security protocols to deliver efficient, cost effective automation of the compliance and ethics policies of the firm including monitoring of clients' business activities, their employees and the firm's third parties. Our singular focus on ensuring our clients are protected by assuring their policies are monitored allows us to deliver superior software and customer service that is trusted by institutions of all sizes across the globe. To speak with one of our experts, contact us at [advance@mycomplianceoffice.com](mailto:advance@mycomplianceoffice.com) or 1.866.951.2280.