

Compliance & Risk

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Headlines

- Irish DPC concludes investigation into Yahoo data breach, p.17
- EU warns Airbnb on pricing transparency, p.18
- Commission fines Altice Group €125.5M for breach of merger rules, p.19

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Google hit with record €4.3bn fine for abuse of dominant position

In what has been called its most consequential decision made in the eight-year antitrust battle with Google, the European Commission found that the US technology company had abused its dominant market position by employing illegal “tying” methods to force mobile phone manufacturers to pre-install Google’s search app and Chrome browser as a condition of using Google Play, the smartphone app store.

The Commission also determined that mobile operating networks and device manufacturers were paid anti-competitive

financial incentives if they pre-installed Google search and no other rival services.

The decision goes to the core of Google’s business strategy over the past ten years, outlawing restrictions on its Android operating system that the Commission says consolidated Google’s dominance in online search during the period that consumers were moving from desktop to mobile devices.

Android is the operating system used in more than 80 per cent of the world’s smartphones and is

crucial to the group’s future revenues as people increasingly use mobile devices for search services.

The EU’s Competition Commissioner, Margrethe Vestager, said that Google had imposed illegal conditions on Android device manufacturers “to ensure that traffic on Android devices goes to the Google search engine”. Ms Vestager went on to say that Google had used Android as a vehicle to cement the dominance of its search engine”, thereby denying

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Danske Bank pledges to forfeit gains from money laundering scandal

The Danish lender, Danske Bank, has found itself at the centre of a growing scandal over as much as \$8.3bn of suspicious transactions that were dealt with through its Estonian branch between 2007 and 2015, leading regulators and the bank itself to fear that it was used for money laundering.

The bank, which has already been reprimanded by Danish regulators and faces several further

investigations, is also conducting its own internal inquiry, which is looking through 9m emails, 7,000 documents and several million transactions. Danske has said it will not comment fully until that investigation is complete, due to be some time in September 2018.

As Denmark’s biggest lender fights to regain its credibility, including by hiring a new head

of compliance from Deutsche Bank, it has pledged to forfeit any ill-gotten gains from the money laundering scandal.

Danske has confirmed that it had generated gross income of about Dkr1.5bn (\$234m) from its non-resident business in Estonia — which serviced customers mostly from ex-Soviet states —

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