

# Compliance & Risk

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## Headlines

- Government establishes health and safety ‘myth squad’, p.16
- Groupon given deadline to improve, p.17
- Citigroup ‘deficient’ on money laundering rules, p.18

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## UK to get ‘Deferred Prosecution Agreements’

The UK government has announced plans to introduce new laws to give courts the power to approve penalty and compensatory payments that have been agreed between firms and prosecutors.

Speaking recently the Solicitor General, Edward Garnier QC, told the UK Parliament “later in the current Parliament, I [will] introduce deferred prosecution agreements to the criminal justice armoury. Such agreements will deal with penalty payments, but also, where appropriate, with the payment of compensation,

and the payments will be made as a result of court orders.”

Currently in the UK, prosecutors can negotiate a form of plea agreement with organisations, but the latter still face criminal punishments that can harm their reputation and restrict their trade. Businesses that do make plea agreements also currently have no guarantees that courts will accept those agreements in sentencing, and that the admissions will not later be used as evidence against them in a trial.

In other jurisdictions, such as the United States, organisations can negotiate settlements with prosecutors with a degree of certainty over the scope of their punishment.

Mr Garnier admitted that the idea for ‘deferred prosecution agreements’ (‘DPAs’) in the UK had been taken from the US but that the intention was to “leave behind the worst bits” of the US system.

The DPAs would not completely replace the current system of full investigation

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## Organisations still failing to comply with cookie rules

Research has found that many organisations have yet to prepare for the new EU rules on web ‘cookies’.

The new law is already effective in Member States, although some countries, such as the UK, have given organisations until this year to comply.

The rules derive from Directive 2009/136/EC. Shortly after the UK implemented the legislation, the Information Commis-

sioner’s Office, which is responsible for enforcement in the UK, said that it was giving organisations an entire year to get their “houses in order”. Therefore the rules are due to be enforced in the UK from 26th May 2012.

However, according to a recent study by KPMG, 95% of organisations have yet to comply with the regulations. Even among financial services

companies, which generally are at the forefront of regulatory compliance, only 7 per cent say they are fully compliant.

Robert Bond, Partner at Speechly Bircham, said big international companies were among those that had left it “to the last minute” to comply. “They are either blissfully unaware or waiting to see

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