

Press Release

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New Heatmap Reveals Corporate Liability Landscape in EMEA

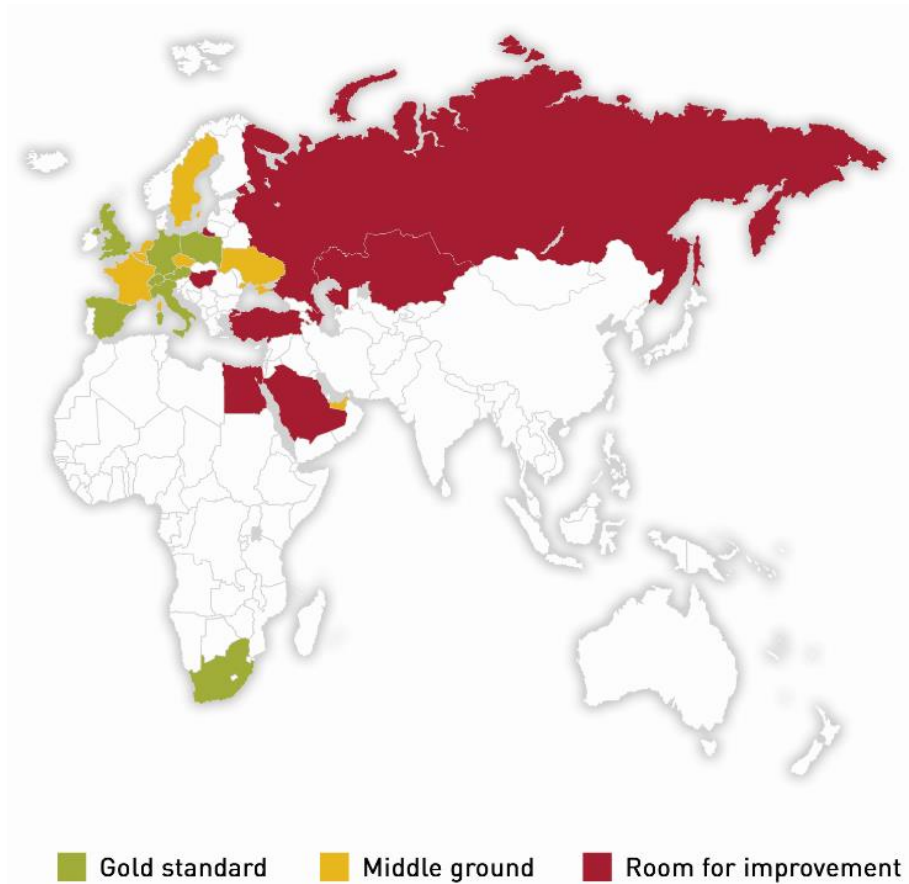
- Corporate liability a boardroom issue; driven by corporate scandals and new compliance legislation
- 23 jurisdictions included in three tiers: *Gold Standard*, *Middle Ground* and *Room for Improvement*
- Austria, Germany, Italy, Poland, Spain, South Africa, Switzerland, United Kingdom all meet Gold Standard

Global, 9 December 2015 - Baker & McKenzie research shows that Austria, Germany, Italy, Poland, Spain, South Africa, Switzerland, United Kingdom all lead the way in providing clear corporate criminal liability regimes.

Using qualitative research, the Firm's heatmap and new handbook (*The EMEA Corporate Liability Handbook*) ranks 23 jurisdictions on a variety of factors.

A key takeaway is the need for corporations to continue to invest in the development of compliance programmes. Scrutiny from regulators, shareholders and other stakeholders continues to increase, but in an increasing number of countries so does the acceptance of sophisticated compliance programmes as mitigating factors when a serious event of wrongdoing or a breach of compliance does occur.

Baker & McKenzie Corporate Liability EMEA Heatmap 2015*



**Heatmap Methodology: each country was scored 1-10 (with 1 being lowest) by Baker & McKenzie lawyers for each of the following categories, with each jurisdiction's total score accounting for which tier it was placed in: General corporate legal environment; Clear rules governing criminal corporate liability; Compliance programmes as mitigating factor; Toughness of sanctions; Possibility to apply interim measures/ plea bargains; and Extension of responsibility to parent company.*

The heatmap provides corporations with a useful tool for measuring clarity and predictability of corporate liability regimes by ranking each country in one of three tiers:

1. **Gold Standard:** corporations still face potential criminal liability for wrongdoing in these countries of course but they will know how it will happen, who is in charge, how long it will take and be treated fairly, providing for an overall predictable and manageable outcome.
2. **Middle Ground:** where most countries are today with corporate criminal liability. A combination of some predictable elements with a degree of imprecision and uncertainty about how a corporation will be treated where there is a serious breach of compliance.

3. **Room for Improvement:** countries still developing a cogent approach to tackling corporate criminal liability. This may mean a lack of clarity of procedure or even legislation, uncertain timescales, unpredictable outcomes and no guarantee of a fair hearing.

Aurelio Giovannelli, partner and member of Baker & McKenzie's Global and EMEA Compliance and Investigation Steering Committees, said: "Corporate liability is a serious threat to any global company's reputation, profitability and credibility. Those countries that provide certainty in the event of wrongdoing have invested in advanced compliance regimes – conforming with them is not cheap but that is the price of legal and regulatory certainty when something goes wrong. Companies must also invest appropriately."

"Whether through more rigorous application of existing laws or the creation of new ones, it's clear there is a renewed focus on holding corporations accountable for the actions of their staff, particularly, but not only, senior management, where wrongdoing has occurred."

The EMEA Corporate Liability Handbook addresses corporate liability in multinational groups and the basis for the extension of the liability to the ultimate parent company. The Handbook focuses on the nature of corporate liability, potential sanctions, benefitting from exemptions and mitigation factors, and the potential risks involved for directors and managers, within each of the 23 countries.

Each country chapter of the Handbook covers:

- Corporate liability deriving from criminal activity
- Applicable sanctions
- Measures and models of prevention and effects of the same on corporate liability and applicable sanctions
- Judicial proceedings to determine corporate liability
- Corporate liability in multinational groups
- Significant case law concerning liability arising from crimes and draft laws under discussion

To obtain Baker & McKenzie's EMEA Corporate Liability Handbook, please email Aubrey.Barrameda@bakermckenzie.com and Sebastien.Guelet@bakermckenzie.com.

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Notes to editors

About Baker & McKenzie

Founded in 1949, Baker & McKenzie advises many of the world's most dynamic and successful business organizations through our 12,000 staff in 77 offices in 47 countries. The Firm is known for its global perspective, deep understanding of the local language and culture of business, uncompromising commitment to excellence, and world-class fluency in its client service. Global revenues for the fiscal year ended June 30, 2015, were US\$2.43 billion. Eduardo Leite is Chairman of the Executive Committee. (www.bakermckenzie.com)

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