

# Corporate Compliance

Europe

BAKER & MCKENZIE



## Introduction

Compliance issues are pervasive in virtually every aspect of running a business. For companies operating internationally, the issues are complex, confusing and sometimes contradictory. Understanding the legal and cultural implications of seemingly commonplace business practices can save companies time and money and lower risk of reputation-damaging litigation.

At Baker & McKenzie, we have been helping clients navigate the complexities of corporate compliance on a global basis for over half a century. With a deep understanding of local business culture and practice, legal systems and regulatory regimes, our team can offer comprehensive assistance in designing, monitoring and evaluating international compliance programs. We bring an instinctively global perspective to resolving cross-border compliance challenges, and can conduct sensitive investigations with discretion and efficiency with greater chances of favorable results.

## Why is Compliance Important Now?

**Regulators have more teeth.** Regulators are no longer hesitant in taking action and sanctions can be severe. By way of example, BAE Systems was fined a massive \$400 million for failing to ensure compliance with legal prohibitions on foreign bribery.

**Legislative culture of transparency and accountability.**

Shareholder participation is an essential precondition for effective corporate governance. The facilitation of this is a recurrent underlying theme in EU legislation.

**Shareholder activism.** Shareholders are more demanding and vocal, being frequently prepared to vote against the board: reports of disgruntled shareholders trying to oust directors appear almost daily. **CSR is no longer a public relations exercise.** Businesses are expected to behave in a responsible manner and failing to do so has serious commercial implications.

## Our Approach to Risk Management and Compliance

We work alongside our clients to identify the risks facing them and to help them manage and control the impact of those risks. We know that one size does not fit all so we will invest time to understand each client's business to ensure the advice we provide is tailored to suit their individual organizational structure, culture, and countries of operations. We recognize that compliance and risk management strategies must be connected and that no single risk should be managed in isolation. Our specialist teams work closely together to provide an integrated service.

We manage multi-jurisdictional investigations as well as compliance program roll-outs, audits, and assessments and have deep insight as to how regulators operate in practice. This is a rapidly changing environment, with anti-corruption laws and enforcements being constantly updated. In this area, you cannot rely on experience from 2-3 years ago. Our service infrastructure has been designed to stay up to date with changes as they happen globally.

## We work closely with clients to...



**Identify significant compliance risks** through the assessment of the business using relevant interactive legal updates, legal audits, documentation reviews and client interviews.



**Design and develop a compliance program to detect, prevent, and remedy violations of law and regulations** for quantifying and managing the risks, including the drafting of bespoke practice manuals, codes of ethics, risk matrices, internal training programs and board presentations and establishing global data management systems.



**Implement a risk management and compliance strategy** through assisting with the roll-out of internal training programs, annual reviews, regular and effective monitoring and ongoing management of global databases. We are innovative in our approach, carrying out dry-runs and role-plays with our clients where appropriate.

## We can also help our clients...

**Gain Board support.** We understand that the support of the Board is critical to the successful implementation of a compliance program. We will help you to gain your Board's attention and support by ensuring the right issues hit your Board's agenda.

**Institutionalize "best practices"** in relation to compliance programs.

**Avoid inheriting compliance failures when acquiring companies.** It's critical to conduct due diligence on a target's compliance programs, including resourcing, risk assessments, training, controls and auditing processes. We can conduct compliance due diligence wherever it's needed - with as much depth as required.

**Manage enforcement actions brought in multiple jurisdictions.**

Compliance Program  
Corporate Social Re  
Management Board  
Corporate Structure  
Lobbying / Political A  
Transactional Issues

Corporate C

Antitrust / Competition  
Advertising & Promotion  
Consumer Protection  
Corrupt Practices  
Government Contracting  
Packaging  
Pricing

## Sales & Marketing

Agents / Distributors  
Boycotts / Embargo  
Corrupt Practices  
Customs  
Export Control  
Import Licensing  
Franchisees  
Parallel Importing  
Trade

## Distribution

## Design & Production

Domestic Content  
Environment  
Intellectual Property  
Outsourcing  
Product Safety  
Supply Agreements  
Supply Chain Security  
Transfer Pricing  
Workplace Safety

# Comp Iss

ms  
responsibility  
/ Supervisory Board  
Activity  
s

## Governance

## Employees

# Compliance Issues

## Information

## Financial

- Compensation & Incentives
- Disability / Discrimination
- Data Privacy
- Employee Monitoring
- Harassment
- Labor Relations
- Recruiting & Hiring
- Grievances
- Migration & Mobility
- Policies & Procedures
- Pensions & Benefits
- Workplace Change

- Child Protection
- Data Collection / Transfer
- Data Privacy & Protection
- Date Integrity & Security
- Records Management
- Software Licensing

- Corrupt Practices
- Emissions Trading
- Financial Controls
- Financial Products
- Foreign Exchange
- Pricing
- Securities Laws / Regulations
- Tax

# Holistic Solutions Across Practices and Offices

## Our lawyers deliver holistic solutions for diverse compliance issues to help clients:

- Operate responsibly under rapidly changing trade laws by providing day-to-day compliance advice, conducting internal investigations and representing clients in enforcement actions on export control, anti-corruption, anti-boycott, anti-terrorism and anti-money laundering measures.
- Maximize international exposure for products by securing fair and accurate customs classifications and valuation, conducting multijurisdictional studies of customs duties, laws and requirements, and clarifying WTO provisions and regional or bilateral trade agreements.
- Fulfill fiduciary duties by drafting governance guidelines, including codes of business conduct, board committee charters and other documentation for stock exchanges and securities regulations.
- Increase transparency by identifying and implementing processes and mechanisms to promote full compliance with expanded disclosure requirements.
- Minimize exposures by evaluating suspected fraud through independent investigations on behalf of management and special committees.
- Anticipate and manage risks in environmental compliance by ensuring timely acquisition of correct permits and licenses, conducting comprehensive reviews, advising on auditing programs and sustainability initiatives, and keeping abreast of evolving climate change policies and new regulatory regimes. Achieve tax-effective compensation and payroll procedures through optimal structuring and strict compliance with local tax laws.

## Our Experience

- We advised a **major international pharma company** in relation to a FCPA investigation by the DOJ on certain activities in selected European countries. We also commented on parts of Settlement Agreement with the DOJ. This transaction belongs to one of the US DOJ investigations against global firms leading to a settlement arrangement.
- We conducted a compliance vendor due diligence review regarding the sale of a division of a **major multinational**, with a focus on anti-corruption. The review included entities in more than 45 countries.
- We advised a **vehicle manufacturer** in relation to a possible bribe attempt by certain Czech politicians, which took place when 700 military vehicle trucks (worth €150 Million), were delivered to the Czech Army. This was one of the highest ranking news items for several weeks in the Czech Republic as it involved top level politicians, including the former Czech Minister of Defense. The matter was investigated by Czech Police and reported to the DOJ and FBI.
- We conducted a global third party review of approximately 500 agents for our client, **an international group of food processing companies**, and assisted them with the improvement of their existing third party review process.
- We assisted our client, a **major international pharma company**, to revise its Standard Operating Procedures for Russia from the standpoint of US and UK anti-bribery law. We also assisted their US and regional counsel in connection with a US Justice Department FCPA investigation and represented the company in an investigation launched by Russian anti-trust authority.
- We assisted our client, a **construction company** in the oil and gas industry, to set up a completely new compliance program. We drafted compliance policies, set up training and assisted with the implementation of policies.

# The Essential Ingredients of Corporate Compliance



## Quotes and Accolades

Recommended for compliance projects.  
[JUVE Handbook 2010/2011](#)

With an emphasis on fraud, the [corporate crime] team at this global player is well placed to take advantage of the worldwide Baker network and is lauded by clients for its “*detailed follow-up of and commitment to each issue at hand, providing imaginative solutions tailored to the client.*” [Chambers Europe 2010](#)

The team continues to elicit high praise: “In these [fraud] cases, you need to be able to master the tactics and be sufficiently on top of the detail – this is particularly difficult when the teams one is managing tend to be big. It is crucial to have the details easily available and take a big-picture approach. The team does just that.”  
[Chambers UK 2009](#)

## Global Reach

For more than 60 years, Baker & McKenzie has been effectively providing global and multidisciplinary advice on Compliance. The Firm has 69 offices in 41 countries and more than 3,750 lawyers.

The size and global reach of our Firm guarantees that know-how is shared amongst different jurisdictions and allows resources from our international network to be adequately allocated to supplement local office needs. In this way, clients benefit from our efficient use of the know-how acquired in countries and industries in which the development of Compliance Programs has been particularly strong. We also take such knowledge to other locations where Compliance Programs are still emerging.

We assemble our teams of attorneys from different offices to review multijurisdictional Compliance Programs for seamless implementation in the countries in which the company or multinational group operates.

www.bakermckenzie.com

## Baker & McKenzie has been global since our inception. It is part of our DNA.

Our difference is the way we think, work and behave – we combine an instinctively global perspective with a genuinely multicultural approach, enabled by collaborative relationships and yielding practical, innovative advice. With more than 3,750 lawyers in 41 countries, we have a deep understanding of the culture of business the world over and are able to bring the talent and experience needed to navigate complexity across practices and borders with ease.

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