

Compliance & Risk

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Oil companies seek watering down of anti-corruption rules

Royal Dutch Shell and other natural resource companies are attempting to neutralise planned EU anti-corruption rules that would force them to disclose payments to governments in countries where they operate.

In October 2011, the European Commission published proposals to revise the EU's Transparency and Accounting directives, requiring all EU-listed and large unlisted extractive and timber companies to publicly disclose payments to governments worldwide, on a project by project basis.

The new requirements for US and EU organisations are designed to highlight regimes that receive large sums from selling oil, gas, minerals and forests, but then siphon off the proceeds rather than reinvest locally for public benefit.

The organisations that have been lobbying are seeking to remove a series of conditions that they claim are onerous, unfair or in contravention of local laws.

Chief Financial Officer at Shell, Simon Henry, wrote to the UK Business Minister, Norman Lamb, detailing the group's concerns.

Shell says it supports the introduction of the EU disclosure rules, but wants payments broken down into those made at the national, regional and local levels of government. In addition, Shell has asked that the EU define "a single, absolute disclosure threshold", which should be set at a level "to reflect the fact that in Shell's case we paid more than \$20bn in direct taxes to governments in 2011, and collected close to \$100bn in duties and VAT on behalf of governments".

Other companies, such as
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UK health and safety regulation to be cut by half

In his New Year message, the UK Prime Minister, David Cameron, has attacked excessive regulation for holding back business. He has committed his government to cut regulation by 'up to half', so as to stimulate job creation and the economy. He said that he will be "waging a war against the excessive health and safety culture that has become an albatross around the neck of British businesses."

So strong is Mr Cameron's commitment to reducing red tape for businesses that he puts the goal near the top of his agenda for the coming year.

"One of the Coalition's New Year resolutions is this: kill off the health and safety culture for good. I want 2012 to go down in history not just as Olympics year or Diamond Jubilee year, but the year that we

banished a lot of this pointless time-wasting from the economy and British life once and for all."

His announcement comes on the back of a report by Ragnar Löfstedt, Professor of Risk Management at Kings College London. Professor Löfstedt was tasked early last year with investigating the health and safety regime
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