

Compliance & Risk

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Barroso backs Cameron's challenge to limit EU red tape

The EU President, Jose Manuel Barroso, has supported UK Prime Minister David Cameron in his bid for limits on the number of regulations coming from the European Union.

Mr Cameron and Mr Barroso jointly chaired a meeting of EU leaders at the 2013 Summit, during which both put forward the case for more straightforward European regulation.

The Prime Minister has said that businesses are being "throttled" by red tape, and he has suggested that, to reduce the overall weight of compli-

ance, no new regulations should be introduced without an equivalent reduction in regulation elsewhere.

For his part, Mr Barroso largely echoed Mr Cameron's concerns, saying that businesses needed a single set of rules rather than 28 different sets of national regulation. He recognised that there are areas where the burden of regulation should be reduced whilst nonetheless maintaining standards of consumer protection, health and safety, and protection of the environment.

The EU backing comes as

a welcome boost to Mr Cameron's campaign for reduced EU bureaucracy, which he pledged to confront earlier in 2013 when he set up a taskforce to prepare a report into the effect of EU regulation on British business.

The taskforce, which included some of the UK's leading business figures, presented its report in early October 2013. The report suggests at least 30 major changes to EU regulations that could save UK companies 'tens of billions of euros'. The recommendations for

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JP Morgan agrees to pay \$5.1bn to US housing regulator

In the biggest settlement ever by a US bank, JP Morgan has agreed to pay \$5.1bn to the US Federal Housing Finance Agency ('FHFA').

The payment resolves the largest case against the firm relating to mortgage-backed securities, and the charges that it misled the US mortgage lenders Fannie Mae and Freddie Mac during the housing boom.

The FHFA regulates the

government-backed mortgage lenders Fannie Mae and Freddie Mac which had to be given aid to the tune of \$187bn in US taxpayer's money when they came close to failing in 2008 as a result of bad mortgage-backed securities acquired from the banks.

The FHFA has considered the current settlement with JP Morgan "a significant step" towards addressing outstanding

mortgage-related issues. The bank is expected to conclude a separate settlement with the US Justice Department, likely also to be on the scale of several billions of dollars, to be announced shortly.

This may end up being the largest single penalty imposed in a series of investigations being pursued by the FHFA, targeting 17 different financial

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