COLLAS CRILL

SFO drops two major cases

MARCH 2019

Lisa Osofsky, the new Director of the UK's Serious Fraud Office (**SFO**), announced the closure of its Rolls-Royce and GlaxoSmithKline cases at the end of last month.

The SFO's investigation into the car maker opened in 2013 and resulted in a Deferred Prosecution Agreement, and a £497,250,000 fine, in respect of practices of bribery and corruption by Rolls-Royce to win business in Indonesia, Thailand, India, Russia, Nigeria, China and Malaysia. The SFO has now announced that it will not be pursing any related prosecutions of individuals. The SFO has also dropped it case against the pharmaceutical company investigation, that had focused on commercial practices, its subsidiaries and associated persons going back to 2014.

In the SFO's press statement Ms Osofsky said: "*After an extensive and careful examination I have concluded that there is either insufficient evidence to provide a realistic prospect of conviction or it is not in the public interest to bring a prosecution in these cases. In the Rolls-Royce case, the SFO investigation led to the company taking responsibility for corrupt conduct spanning three decades, seven jurisdictions and three businesses, for which it paid a fine of £497.25m. I am thankful for the work of colleagues and the assistance of domestic and international partners.*"

It is thought that the closure of the cases, plus a few others that are not in the public domain, is part of an effort by the new Director to streamline the SFO's caseload so that it can focus its resources on prosecuting those cases with a prospect of success. It is continuing several large investigations, including an investigation into allegations of fraud, bribery and corruption in the civil aviation business of Airbus Group, and an investigation into allegations of fraud, bribery and corruption around the acquisition of substantial mineral assets by Kazakh mining company ENRC (click here for our related ENRC article).

The news from the SFO is a timely reminder of the types of prosecutions that government agencies are willing to investigate, and it is worth reminding ourselves that Guernsey businesses are not immune from being part of such investigations. Engagement in bribery and other corrupt practices are serious offences under the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003, punishable by imprisonment of up to 7 years and an unlimited fine; and, the UK Bribery Act 2010 has extra-territorial reach both for UK companies operating abroad and for overseas companies with a presence in the UK.

As your firm gears up to adapt to the revisions to the Bailiwick's Anti-Money Laundering and Countering the Financing of Terrorism regime, which come into effect on 31 March 2019, it would be wise to factor in reviewing and updating (as necessary), its policies and procedures relating to bribery and corruption.

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