

Decision 2012-03 of 25 June 2013 against UBS (France) SA (compliance risk)

In a public decision, the Sanctions Committee handed UBS (France) SA a reprimand together with a fine of EUR 10 million. These sanctions were mainly in response to the following points:

- Even though the bank had been notified no later than autumn 2007 of serious suspicions that its commercial network may have been involved in facilitating activities liable to constitute unlawful marketing and laundering of the proceeds of tax evasion, it waited more than 18 months before putting in place the necessary governance and control procedures to remedy this compliance risk affecting its cross-border business.

- The bank had monitored neither the conditions under which its own client advisers had been authorised by its parent company, UBS AG, to input information into a computerised file managed by the latter, for the purpose of indicating prospects likely to open accounts in other countries, nor the use to which such authorisation was put.

The Committee pointed out that the decision was without prejudice to any action liable to be taken as a result of the judicial investigation begun in April 2012 following the preliminary investigation announced in March 2011, which seeks to establish, based in particular on documents provided by the ACPR and using appropriate methods of investigation, whether offences constituting laundering of the proceeds of tax evasion or unlawful marketing had, in fact, been committed.

In line with previous comments on the focus of disciplinary proceedings, the Committee distinguished the first 7 complaints relating to compliance risk arising from cross-border business from the other 30 complaints, indicating that since the latter, while mostly established, were much less serious than the former, they did not justify a heavier sanction.