



[10 Global Compliance Trends for 2012](#)

by [tfoxlaw](#)



Many commentators looked back at the events of 2011 in the compliance arena and have looked forward into 2012. However, most of the commentators in the United States focused on the US Foreign Corrupt Practices Act for both their retrospective and Great Carnac tea leaf readings. This lack of international focus is rectified in the January, 2012 issue of the [Compliance Week Magazine](#), in an article entitled, “[Ten Global Compliance Trends to Watch in 2012](#)” by Neil Baker. The issues presented on the list are matters which any compliance professional from a US company, which has international operations should review and be prepared to face.

1. **Britain loses its voice in Europe.** The author believes that Britain’s veto of France and Germany’s plans to bring closer governance of EU members will reduce the UK influence in compliance matters. He believes that this may lead to more Euro-centric regulatory zeal against US-style capitalism.
2. **Tougher corporate governance rules.** The author believes that the European Commission will adopt more detailed regulations on how companies should constitute their Boards of Directors, make decisions and manage risk generally.

3. **Big 4 challenged?** Baker believes that 2012 may be the end of the Big Four accounting firms domination of the international audit market. He believes that some firms may be split up and all firms will no longer be able to offer audit and consulting services.
4. **Stricter data protection.** Companies will face new rules on how they “capture, store and use personal information.” Levels of encryption may well need to be increased but most ominously, companies will be required to “notify regulators and member of the public if they discover a data breach.”
5. **Bribery Act gets tested.** Baker quotes my [This Week in FCPA](#) colleague Howard Sklar for the following, “Compliance Officers now have to ensure that rules are adhered to” [regarding the Bribery Act]. Or as Howard might also say, “At 12 months, take the over.”
6. **Fair competition enforcement up.** Baker believes that businesses’ anti-competitive behaviors became more pronounced due to the global recession. Now regulators are catching up to these behaviors and he anticipates greater enforcement.
7. **Executive pay scrutiny continues.** Baker believes that the UK government will “introduce new regulations on [executive] remuneration in 2012.” This legislation could include requiring shareholder vote and approval of executive compensation.
8. **Japan gets governance.** Independent Directors come to Japan Inc. Baker believes so but I have to disagree with him on this prediction. (See *Olympus*)
9. **IT security more complex.** The increase in the use of personal computing devices and persons working from home, will lead to significant data security headaches. Baker quotes Andy Fisher that “unless it is managed it will create a compliance time bomb.”
10. **Cloud computing becomes the norm.** The increase in cloud computing can lead to questions regarding which countries laws control data security; the home country of the company or the country where the data is stored.

This list that Baker has put together clearly portends greater compliance convergence. A Compliance Officer well versed in anti-corruption legislation across the world will have a myriad of laws to navigate to keep his company on the right side of anti-corruption laws. However, the Compliance Officer may well have a broader remit in 2012. Baker ends his piece with this cheery note, “There’s never a good time for a company to suffer a compliance failure, but 2012 would be a particularly bad time.”

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