BEHAVOX

5 COMMON WAYS FINANCIAL INSTITUTIONS CAN FALL FOUL OF REGULATIONS

The threat of regulatory fines in financial services has never been greater. Global financial institutions were fined more than $36 billion USD due to non-compliance in 2019 — $10 billion more than 2018.*

*Global Financial Institution Fines Analysis, conducted by Fenergo

862 ENFORCEMENT CASES
The second highest amount ever recorded by the SEC

$4.3 BILLION
Penalties issued by the SEC

$1.3 BILLION
Fines imposed by the Department of Justice

$5.1 BILLION
UBS fined for tax evasion and money laundering

5 OF THE MOST COMMON EXAMPLES OF FINANCIAL MISCONDUCT

1. CLIENT CONFIDENTIALITY/ DATA PROTECTION
Failure to protect against unauthorized or unlawful processing of personal data can result in fines, imprisonment, and the loss of jobs.

2. BRIBERY AND CORRUPTION
An inducement or reward offered, promised, or provided in order to gain any commercial, contractual, regulatory, or personal advantage.

3. BENCHMARK MANIPULATION
Manipulating benchmarks and rates (in order for brokers to influence their trades) can impact market confidence, cause significant investor losses, and distort the real economy.

4. BREACH OF FIDUCIARY DUTY
An example could be not acting in the best interest of the client, such as not diversifying investments or ensuring investments are suitable.

5. BROKER/TRADER ERRORS
Brokers must establish and maintain procedures to “reasonably manage” regulatory risks. Failure to notify a regulatory authority of the intention to commit fraud will result in a fine.

Boasting the world's leading detection rate across multiple languages and more than 150 data types, Behavox Compliance helps firms catch bad actors before they cause massive fines, irreparable brand damage, and company-ending crises.

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