

Financial Services Regulatory & Enforcement

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Our Financial Services Regulatory & Enforcement practice is sought out by financial institutions and regulators alike for the insight and analysis we provide on complex global issues.

We address the needs of global and national financial services organizations—including banks, credit card companies, brokerages, dealers, insurance firms, asset managers, money services businesses and collective investments—and their trade associations. Financial institutions comprise a significant percentage of our client base and we are proud to represent over two thirds of the world's largest banks as clients.

With offices and affiliated law firms in the key business centers around the world, we are able to provide comprehensive counseling on the full range of regulatory, risk management, compliance and enforcement issues facing the global financial services industry.

We help clients contend with the licensing, reporting and compliance requirements that affect all aspects of a financial services company's operations on a daily basis. More importantly, we leverage our experience and global platform to identify emerging trends and to develop strategies that position our clients to best take advantage of market opportunities.

In today's environment, it is not always possible for financial services firms to avoid supervisory scrutiny or enforcement proceedings. Contested proceedings with regulators can be inevitable, whether through a failure to implement required policies and procedures or to adhere to specific regulatory requirements in the delivery of products or services. When these situations arise, we help clients conduct internal investigations to understand the scope of the problem, assist them with developing remedial strategies and represent them in negotiations before regulators. If these result in ongoing remedial obligations, we assist our clients to comply with, as well as to navigate the demands of compliance monitors for which we increasingly see regulators require as a condition of settlement. Mayer Brown's cross-border capabilities and experience with multijurisdictional matters have proven to be quite helpful to clients facing these circumstances.

"Attracts a sophisticated global client base drawn to its impressive cross-border capabilities in the financial services regulatory arena. Regularly handles complex compliance matters for a range of financial institutions, while also offering significant strength on the investigation and enforcement side."

—*Chambers USA*

We represent our financial services clients' civil

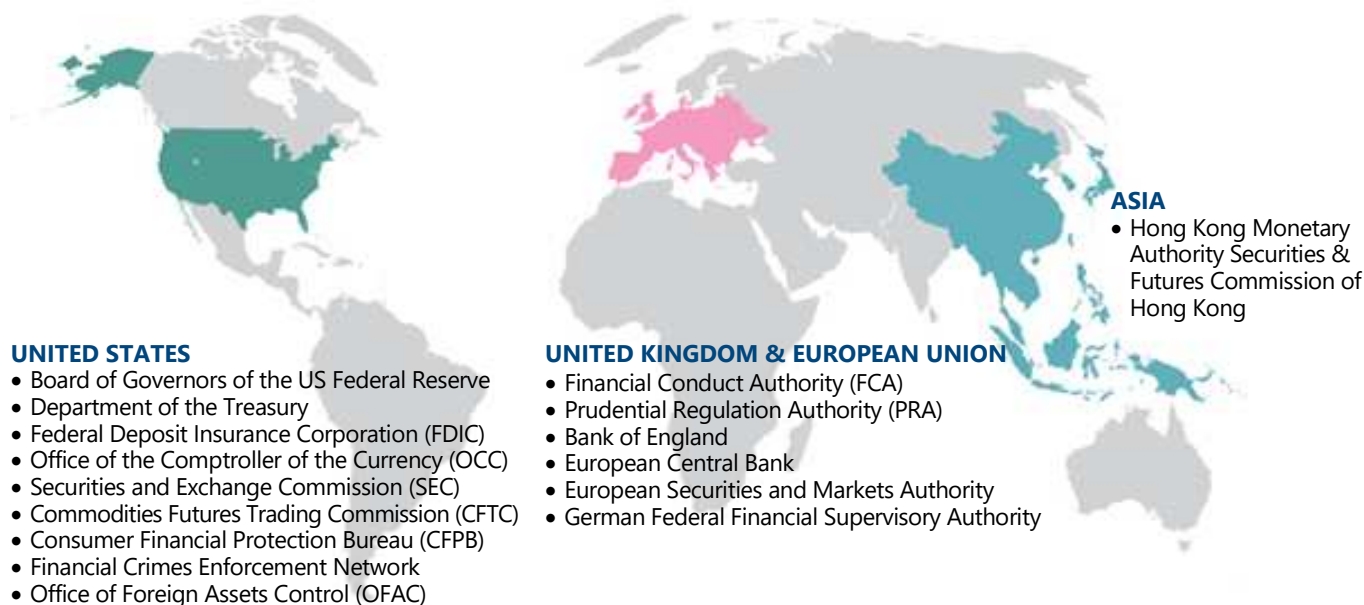
proceedings, particularly matters that raise cross border concerns, such as the ability of a US court to assert jurisdiction over non-US financial institutions or to execute judgments against assets in non-US branches, the presumption against extraterritorial application of US law (e.g., as applied to securities fraud), or the conflict between US discovery demands and non-US data protection and privacy laws. Over the years, we have handled cases that are among the most sensitive our clients have faced. We pride ourselves in bringing to sensitive, high profile cases a broader perspective that goes beyond the four corners of litigation, considering aspects such as media relations, potential parallel legislative action, and amicus support from trade organizations, thereby affording our clients more opportunities to prevail and steering our clients clear of avoidable pitfalls. When called upon in such matters, we are able to capitalize on our multi-jurisdictional experience as well as our global platform, to bring the resources needed to achieve positive results.

We are committed to using our resources to accomplish the positive results our clients deserve and are conscious of the need to deliver our services on a timely and efficient basis. We are proud to have been repeatedly recognized as a leading financial services regulatory practice by *Chambers USA*, *Chambers Global*, *Legal 500* and *IFLR 1000*.

Our Cross-Border Financial Reform Experience

The financial crisis that affected the global markets in 2008 spawned a series of market and regulatory reform initiatives around the world. Since that time, our firm has worked stay abreast of, and to conform to, the resulting supervisory standards.

OUR LAWYERS REGULARLY APPEAR ON BEHALF OF CLIENTS BEFORE THE MAJOR REGULATORY AND ENFORCEMENT AUTHORITIES, INCLUDING:



OUR TEAM INCLUDES A NUMBER OF FORMER OFFICIALS OF REGULATORY BODIES:

- US Department of the Treasury
- HM Treasury
- Financial Conduct Authority
- Bank of England
- Securities and Exchange Commission
- Office of the Comptroller of the Currency
- Internal Revenue Service

In the United States, following passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), our lawyers have been advising clients on the implications of the Volcker Rule restrictions on proprietary trading, sponsorships and investments in covered funds; changes to over-the-counter (OTC) derivatives transactions; and new and emerging capital, liquidity, risk management and single-counterparty prudential standards for the largest US banks and non-US banks with US operations. In addition, we have assisted retail financial

services providers (mortgage and credit card companies and money services businesses) to adapt to the new consumer regulatory requirements imposed by the CFPB.

Since the UK government realigned its supervisory authorities and moved to implement the recommendations of the Vickers Commission—including increased capital requirements, ring-fencing for depository institutions and new insolvency measures—the lawyers in our London office have been advising clients based in the United Kingdom and others with UK operations on the repercussions the new standards would have on existing operations, as well as on strategies for adapting to the new regulatory requirements. Of course, as of June 23, 2016, when the people of the United Kingdom voted in favor of exiting the European Union, we have been advising financial services clients in the United Kingdom, Europe and the United States on the potential implications of Brexit.

In the United Kingdom and the United States we have advised institutions (including those with

operations in multiple financial centers) on resolution planning, so-called “living will” procedures and efforts to harmonize differences in the various resolution regimes that apply in each jurisdiction.

For clients based in and operating in EU countries, we have actively monitored and counseled on the movement toward consolidated bank regulation through the European Central Bank.

Through our experience advising global financial companies and conglomerates, as well as our familiarity with global legal and regulatory requirements, we have become particularly adept at identifying and resolving problems that arise from the cross-border provision of financial services, particularly in the post-financial crisis environment. Our global perspective also enables us to evaluate the advantages and disadvantages of locating certain operations or activities in particular jurisdictions.

Related Areas

BANKING

We provide strategic regulatory advice to banks and financial holding companies and their banking subsidiaries on the regional, national and international application, review and compliance requirements that they face. For the banking sector, our counseling extends across the spectrum of formation and structural alternatives, mergers and acquisitions, and

business and product lines offerings. The issues we confront include: governance, conflicts of interest and management control oversight; regulatory applications, domestic and international financial reporting and regulatory capital standards; new product development; limits on transactions with affiliated entities; lending limits and quantitative activity standards;

WE ADVISE CLIENTS ON RELEVANT APPLICABLE LAWS IN:

United States:

- Bank Holding Company Act
- National Bank Act
- International Banking Act
- Change in Bank Control Act
- Home Owners’ Loan Act

United Kingdom:

- Financial Services and Markets Act 2000

Hong Kong:

- Banking Ordinance
- Securities and Futures Ordinance
- Insurance Companies Ordinance

WE ALSO ADVISE CLIENTS ON:

- Domestic and international sanctions requirements imposed by such entities as OFAC, the United Nations and the Council of the European Union
- Anti-money laundering policies
- Procedures under the USA Patriot Act
- UK Proceeds of Crime Act
- Hong Kong Drug Trafficking (Recovery of Proceeds) Ordinance
- Organized and Serious Crimes Ordinance
- United Nations (Anti-Terrorism Measures) Ordinance

regulatory examinations and enforcement proceedings; and insolvency/dissolution matters.

We assist in structuring and documenting regulated transactions and in preparing, submitting and negotiating all necessary regulatory applications and notice filings. We also counsel clients on solving complex management

issues associated with corporate transactions and advise boards and board committees on matters such as corporate governance and oversight, transactions with affiliates, internal review, risk management and management succession.

BROKER-DEALER

Mayer Brown has a reputation for helping our broker-dealer clients meet high standards of regulatory compliance and for collaborating with industry leaders to advance thinking on public policy and best practices. We have extensive broker-dealer experience involving lawyers from many related practices in our offices worldwide.

The lawyers in our Broker-Dealer practice advise clients on the full range of securities brokerage and dealing activities and regulatory requirements—from federal, state and non-US organization and registration requirements, to routine compliance, internal audits, regulatory inspections and enforcement. Our group provides a broad array of legal services to broker-dealer clients affiliated with US and non-US financial services firms, located both within and outside of the United States, including investment advisers, investment funds, banks, insurance firms and other types of financial services intermediaries and their non-financial counterparts. We provide advice on regional, national and international matters to clients in the United States, Belgium, Brazil, Canada, China, France, Germany, Hong Kong, Israel, Japan, Lichtenstein, the Netherlands, Sweden, Switzerland and the United Kingdom. We have long-standing relationships with key supervisory bodies around the world and have earned an impressive reputation for our legal and practical acumen, thoroughness, responsiveness, creativity and integrity.

We assist in all stages of the broker-dealer's lifecycle: the creation and registration of new

firms; qualification of individual agents/representatives and principals; structuring key operational relationships, including the preparation and review of prime brokerage; introducing and clearing arrangements; distribution of securities products; the creation of new client relationships; assistance with routine and regular examinations by applicable regulatory and self-regulatory organizations (SROs); acquisitions or dispositions of business lines and other material changes of business; and withdrawal or termination of regulated businesses.

We provide ongoing advice on compliance issues affecting broker-dealers, in areas such as: best execution and suitability obligations, including affiliated transaction and soft dollar issues; reporting and books and record obligations; net capital and other financial protection requirements; margin requirements; insider trading; market abuse and code of ethics policies; privacy, safeguarding and data protection policies; anti-money laundering policies and procedures; disaster recovery and business resumption procedures; preparation and review of advertising, performance and research materials; and use of web sites, marketing and networking arrangements.

Topics we advise on include: compliance with specific laws and regulations applicable to broker-dealers, including the interpretation of regulatory changes; performance of internal audits; preparation for examinations by regulatory authorities; and responding to examinations and agency requests and requests for information in the context of regulatory investigations. We also provide representation in litigation and enforcement actions and draft comments on rule proposals of the SEC, SROs,

the FCA and PRA, the Hong Kong regulators and others that affect broker-dealers.

INVESTMENT ADVISER

Our lawyers have extensive experience with investment adviser activities and regulatory requirements, including structuring and registration and seeking necessary permissions, ongoing compliance and regulation and internal audits, regulatory inspections and enforcement.

We advise financial services companies on registration status issues regarding activities falling within US federal and state definitions of investment advice and the possible exemptions and exclusions from investment adviser registration and regulation. We advise financial institutions in the United Kingdom on the need for FCA and PRA approval and assist them in developing the necessary practices, procedures and documentation to implement their business plans. We provide similar advice and services in Hong Kong with respect to regulatory approval and licensing requirements and procedures.

Our lawyers provide ongoing advice on compliance issues affecting investment advisers, including: the fiduciary duties of investment advisers, best execution obligations, conflicts issues (including affiliated transaction and soft-dollar issues, trading, allocation, sequencing and valuation procedures), custody arrangements, insider trading and code of ethics policies, proxy voting guidelines, privacy and safeguarding policies, anti-money laundering policies and procedures under the USA PATRIOT Act and the UK Proceeds of Crime Act and the equivalent statutes in Hong Kong; disaster recovery procedures, new issues, preparation and review of advertising and performance materials, and use of web sites, marketing and networking arrangements.

We advise on the design, distribution, marketing and management of investment products such as wrap fee and mutual fund asset allocation programs, private funds (hedge funds/private equity) and the regulated fund environment.

We advise clients with respect to all aspects of structuring, funding, marketing and operational and regulatory compliance responsibilities. We also advise on the status questions that frequently arise in connection with corporate financing and restructuring transactions or the establishment of securities distribution and referral programs.

DERIVATIVES & COMMODITIES

Our derivatives and commodities lawyers represent futures professionals and other clients in regulatory proceedings, arbitration and litigation; provide comprehensive legal advice with respect to transactional, structural, operational, regulatory and compliance matters; and represent clients in derivatives transactions ranging in complexity from fixed/floating interest rate swaps to emerging market structured products, and from listed futures and options to offshore hedge funds.

We regularly design and evaluate novel and complex instruments and develop structures that satisfy our clients' business objectives as well as the applicable legal and regulatory requirements. We deal with all aspects of the rules and practices governing the trading of listed products, over-the-counter and hybrid products, foreign exchange and physical commodities, including government inquiries concerning alleged market manipulations and attempted manipulations.

ENFORCEMENT & LITIGATION

Due to the complexities of the global financial services industry and its international regulatory

environment, litigation and regulatory investigations are often unavoidable. Our lawyers handle a broad spectrum of US-based and international litigation and enforcement matters and possess significant experience in anti-money laundering and sanctions and consumer compliance. Shortcoming in these areas can give rise to enforcement actions and private litigation claims. Whether contending with multi-faceted enforcement actions brought by regulators with overlapping authority or multi-jurisdictional class action litigations, our practice has a proven record of achieving the best results possible under the circumstances—results that contain risks, preserve corporate reputations and minimize adverse financial consequences.

When compliance problems arise, we help clients conduct internal investigations and develop strategies to mitigate risks. In any proceeding—arbitration, litigation or investigation—our global experience enables us to provide our clients with critical support. This is of particular benefit when, as is increasingly the case, matters are pursued simultaneously in parallel jurisdictions.

Our lawyers handle the full range of investigatory and compliance actions conducted by US and state banking agencies, the SEC, CFTC, Financial Industry Regulatory Authority, National Futures Association and other self-regulatory bodies in the United States, as well as by the FCA and PRA in the United Kingdom, regulators in Hong Kong and other regulators globally.

Mayer Brown is a distinctively global law firm, uniquely positioned to advise the world's leading companies and financial institutions on their most complex deals and disputes. With extensive reach across four continents, we are the only integrated law firm in the world with approximately 200 lawyers in each of the world's three largest financial centers—New York, London and Hong Kong—the backbone of the global economy. We have deep experience in high-stakes litigation and complex transactions across industry sectors, including our signature strength, the global financial services industry. Our diverse teams of lawyers are recognized by our clients as strategic partners with deep commercial instincts and a commitment to creatively anticipating their needs and delivering excellence in everything we do. Our "one-firm" culture—seamless and integrated across all practices and regions—ensures that our clients receive the best of our knowledge and experience.

Please visit mayerbrown.com for comprehensive contact information for all Mayer Brown offices.

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