

Global Risk Management

HADRIAN TUCKER
SVP, Fidelity Investments
MAY 17, 2006

DISCLAIMER

THE VIEWS PRESENTED ARE SOLELY THOSE
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REFLECT THOSE OF FIDELITY INVESTMENTS

Selected Topics for Discussion

- **Monitor payments & receipts for AML**
 - OFAC is complex
 - Remember your bank has a reporting obligation
- **Address cross-border privacy concerns**
 - Different countries - different rules
 - Payroll data contains traps for the unwary
- **Actively manage electronic records**
 - Look for legal safe harbors
 - Enforce your company retention policies
 - Legal discovery is painful & expensive
- **Protect intellectual property**

Monitor payments & receipts for AML

- **Office of Foreign Asset Control (OFAC)**

- Punishes transactions with prohibited persons
- Administers a series of Presidential Orders
- Can be person or geography specific
- Fact driven – no extenuating circumstances

- **Anti Money Laundering is a global concern**

- Scrutinizing and approving a counterparty is necessary
- Your bank must report you as part the problem
- Be aware of any ownership changes in your partners
- Scrutinize last minute changes to settlement details

Address cross-border privacy concerns

- **Different countries – different rules**
 - Burden may differ – in Japan the penalty is with the company
 - Know your jurisdiction – British Columbia forbids data transmission of personal details to USA
 - SOX whistleblower implementation may contravene French law
- **Payroll data – pitfalls for the unwary**
 - EU requirements may conflict with home country operational requirements
 - Employee may not be allowed to waive rights to privacy

Actively manage electronic records

- **Look for legal safe harbors**
 - Examine retention and confidentiality requirements
 - Encrypting certain data may confer legal advantage
- **Enforce company policies**
 - Consistent application of policy limits certain risks
 - Payroll data contains traps for the unwary
- **Legal discovery is painful & expensive**
 - Promptly identify pending legal/regulatory actions
 - Take immediate steps to identify & preserve records
 - Negotiate specific discovery requirements

Protect intellectual property

- **Know where your IP is located**
 - Under local law if IP is offshore
 - Define IP ownership with employees
 - Understand contract enforcement with partners
- **Register patents and trademarks timely**
- **Actively enforce IP rights**
- **Understand licensing rights of others' IP**