

Besso Limited

Case ID:

ST-415

Case Cluster :

Besso Limited

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Financial Conduct Authority

Jurisdiction of Foreign Public Official(s) :

None specified

Year of Settlement:

2014

Month/Day of Settlement (or Notes):

3/17

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Administrative

Legal Form of Settlement:

Final Notice

Monetary Sanctions (Types):

Civil Penalty

Total Monetary Sanctions (US\$):

\$524,261

Criminal Fine/Penalty (US\$) :

NA

Criminal Fine / Penalty (Explanation):

NA

Criminal Forfeiture / Confiscation (US\$):

NA

Criminal Restitution / Reparation (US\$):

NA

Civil Disgorgement of Profits (US\$) :

\$0

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$524,261

Other Civil Monetary Sanctions (US\$):

\$0

Monetary Sanctions Returned / Ordered Returned (US\$):

\$0

Monetary Sanctions Returned / Ordered Returned (Explanation):

NA

UNCAC Articles(s) Implicated:

Art. 16

OECD Anti-Bribery Convention Articles Implicated:

Art. 2, Art. 8

Offenses - Alleged:

Lack of Bribery Controls

Offenses - Settled:

Lack of Bribery Controls

Public Procurement Contract / SOE Involved?:

No

Summary:

According to the UK Financial Conduct Authority's Final Notice, "4.1. Besso is the broking subsidiary of Besso Insurance Group Limited. Besso is a medium-sized Lloyd's general insurance broker operating mainly in the commercial sector, specialising in marine, aviation, transport, property, casualty, international and liability insurance. Besso has been authorised by the Authority to carry out a number of regulated activities since 14 January 2005. This includes assisting in the administration and performance of contracts of insurance. 4.2. Insurance and reinsurance brokers such as Besso make payments to, and share commission with, Third Parties in a number of circumstances. For example, a broker may pay a co-broker who assists in the placement of insurance or reinsurance. In some cases, a broker may pay a broker who provides services (e.g., administrative and policy insurance services) in relation to the placement of insurance in countries where the principal broker does not have an office. In other cases, a broker may pay individuals or companies who have limited or no involvement in placement activities, but assist with client introductions and providing relevant market and other information. 4.3. Being a wholesale broker, Besso was heavily reliant upon Producing Brokers to bring business to it. The Producing Brokers would have the relationship with the insured and would handle all correspondence in relation to that insured. Besso would normally agree a split of commission between the Producing Broker and itself. 4.4. During the Relevant Period, Besso offered (and continues to offer) broking services for both insurance and reinsurance business across a wide range of industries and countries, which will have had a varying degree of perceived risk of bribery and corruption. In establishing and maintaining business relationships, Besso made use of, and paid commissions to, Third Parties (both overseas and in the UK). Accordingly, although it was not unusual or inappropriate for Besso to make payments to Third Parties, there was a risk, which was increased for higher risk industries and countries, that a proportion of the money paid to Third Parties might have been used by the Third Parties for inappropriate purposes. This could have included paying bribes to persons connected with the insured or public officials." (Source: UK FCA Final Notice, File Reference Number 309159, March 17, 2014.)

Sources :

UK Financial Conduct Authority, Final Notice to Besso Limited, Firm Reference Number 309159, March 17, 2014, at <https://www.fca.org.uk/your-fca/documents/final-notices/2014/besso-limited>