

Compliance & Risk

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- Irish DPC publishes 2022 Annual Report, p.16
- Regulator to target green food labelling, p.17
- New research restates the case for a Single Enforcement Body, p.19

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Regulators face questions over missed warning signs at SVB

Financial regulators in the US are facing awkward questions over whether they failed to spot warning signals at Silicon Valley Bank (SVB), which was shut down by the regulators on 10 March 2023 after a run on the bank.

SVB was taken over by the Federal Deposit Insurance Corporation after customers raced to withdraw \$42bn in one day, representing a quarter of the bank's total deposits.

The collapse of SVB was followed two days later by the closure of cryptocurrency sector lender, Signature Bank.

The US central bank has said that it is "prepared to address any liquidity pressures that may arise" from the failure of SVB and, as they acted to shore up the American banking system, US regulators were quick to confirm that Silicon Valley Bank depositors will be fully repaid.

The Federal Reserve announced a new lending facility on 12 March to ensure that "banks have the ability to meet the needs of all their depositors".

SVB was the country's 16th biggest bank, and

had taken deposits totalling \$212bn by the end of 2022, nearly 96 per cent of which were not covered by the FDIC insurance policy, which guarantees deposits up to \$250,000.

Industry players critical of the rescue package have pointed to the risk of moral hazard that may come from reimbursing depositors beyond the insured limits. In the *Financial Times*, Ken Griffin, founder of Citadel hedge fund, said, "Losses to depositors would have been immaterial, and it would have driven home

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UK legislation to stop cross-Channel migrants may breach human rights laws

The UK government is set to have a battle on its hands over plans to introduce new legislation to curb the arrival of undocumented migrants via the English Channel.

The proposed new law, the Illegal Migration Bill, would disqualify anyone considered to have entered the UK illegally from ever claiming asylum, and would also ban the individual from returning officially to the UK. The bill also

imposes a "legal duty" on the Home Secretary to remove such people either to their home nation or to a "safe" third country, and strengthens detention powers, so that people held in these circumstances can only apply to the courts for bail after a period of 28 days in custody.

In January 2023, under pressure from his party to find solutions to the migration problem, Prime

Minister Rishi Sunak stated that imposing provisions to stop small boat crossings was one of his "people's priorities".

He has since told a press conference that he is "up for the fight" if the provisions of the bill are challenged in the courts, and has said that he believes the government to be acting in compliance with its international legal

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