Decision 2012-06 of 1 March 2013 against Tunisian Foreign Bank (internal control and accounting arrangements)

In this decision, in which the company was publicly named, the Sanctions Committee handed down a reprimand and a fine of EUR 700,000. It ruled on the following points:

(a) On the "protected employee" status of an internal control officer

The fact that the internal control officer, responsible for a variety of shortcomings in the performance of his duties, had the status of protected employee (which, according to the institution, meant he was virtually irremovable) did not exempt the responsible executives from taking all appropriate actions to put an end to a situation that was not compatible with the security of the institution's operations.

(b) On the possibility of withdrawing a credit institution's license in the event of repeated serious failings in respect of internal control and audit trails

Nothing in the statement of objections suggests that the institution could be charged with failing to implement recommendations already issued by the banking supervisor following earlier on-site inspections. Consequently, the action brought against this institution should be seen as relating purely to an initial breach of its obligations in respect of internal control and audit trails. Otherwise, given the severity and persistence over a long period of the violations in question, and particularly the resulting inability of the bank's internal control officers and accounts department to verify the accuracy of information submitted by the foreign branch, which alone accounted for two-thirds of the bank's business, the bank's license itself would be at risk.