

# Global Compliance Outlook – Meetings

Regulatory compliance continues to be a critical issue for corporations and their meetings operations is one operational area where the potential risks and penalties can be significant. In particular, government regulators around the world have focused on individual accountability and corporate officers' conduct. Non-compliance can result in significant consequences for both corporations and individuals. The risk of substantial monetary penalties, incalculable reputational harm and potential civil and, in some cases, even criminal liability has become commonplace. Within the meetings and events space, the highest risk of non-compliance is typically related to:

1. Meeting payments, expenses, and records,
2. Handling of Personal Information (PI), and
3. Attendee selection.

To mitigate such risks, organizations must establish appropriate internal controls throughout their area of operations.

## Meeting Payments, Expenses, and Records

Meetings is one area where organizations need to strategically consider their options and create robust controls to mitigate their risk of potential improper payments. Corporations that fail to conduct substantial vetting of third parties — and in some case even fourth and fifth parties — to confirm that these vendors/intermediaries share a commitment to ethical and compliant business practices leave themselves vulnerable and exposed to potential liability by regulators in their home country and abroad.

Corporations must be particularly mindful of expense management, risks and confident that its meeting management partner, including any subcontractors, agents and sub-tiered suppliers, have appropriate controls in place to avoid potential improper payment risk. Many leading life sciences companies are now requiring that meeting management companies have onsite personnel in attendance. This ensures independent and accurate attendance is taken throughout the meeting, as well as instituting strict controls to prevent expense fraud at the execution level and avoid any risk of inaccuracies in the companies' books and records. In fact, many multinational corporations now require meeting management companies to provide accurate expense tracking, post-event reporting, and audit services as a matter of course. Sophisticated and experienced meeting management companies anticipate these issues and partner with organizations' procurement officials prior to the event to satisfy compliance policies and procedures.

## HOW TO COMPLY

- 1 VET all third party partners and subcontractors.
- 2 Accurately TRACK and DOCUMENT attendance to allow expenses to be properly assigned.
- 3 Be prepared to offer TRANSPARENCY into the meeting expenses, clearly and accurately labeled, and calculated to a cost-per-attendee where required by law.

## CASE IN POINT

In 2011, the U.S. Justice Department came under scrutiny for allegedly spending \$17 on each muffin served at breakfast during a conference at a Washington, D.C., hotel. A thorough audit was completed and it was determined that the charge was actually for a larger breakfast that included several items, tax, and gratuity, therefore justifying the expenditure. Better documentation of the charges could have saved the department and the hotel a great deal of embarrassment and negative publicity.

## Personal Information

While anti-corruption compliance risk remains at the forefront, it is far from the only compliance issue multinational corporations face when conducting a meeting. Technological advances in the form of mobile apps and beacon technology provide enormous opportunities for corporations to gather and collect real-time data. On one hand, it can also automate attendance tracking, helping to promote compliance. However, it can create significant risks if adequate controls are not in place for protecting the multitude of Personal Information (PI) that may be acquired and using it in an appropriate manner. With the technical ability now available to track attendee movement within a conference environment, for example, the need arises to ensure that information is adequately safeguarded and used within the bounds of existing regulations. At a minimum, organizations should ask themselves:

- › What type of PI will be collected?
- › Why will it be collected?
- › Does it need to be collected?
- › How will it be used?
- › Will it be sold or disseminated?
- › How will individuals be able to access/amend

PI about themselves?

- › How will it be stored, secured and disposed of?
- › Are the planned uses allowable within the regulations that apply to this event?

Corporations need to strategically consider these issues and their potential impact – prior to the meeting – and ensure that their meetings management company and any third party vendors are able to execute their vision, within the compliance parameters that apply to the event.

## HOW TO COMPLY

- 1 COLLECT only information that is purposeful and required for your event and ensure that required opt-ins and consent are in place.
- 2 DISCLOSE to individuals how PI will be collected, used, disseminated, stored and disposed of prior to collecting it.
- 3 Thoroughly ASSESS technology partners and products that will be receiving and storing data on your behalf, including conducting a physical site inspection as needed, and ensure they comply with all legal, regulatory and policy requirements.

## Attendee Selection

In addition, multinational corporations also need to be aware of the ever-changing geopolitical environment, including the complex and constantly evolving global sanctions regime, which can impact the allowable set of attendees for an event. Corporations, either independently or through their meetings management company, should conduct real-time screening of scheduled attendees to ensure that all proposed attendees are permitted to attend all conference events.

This type of “sanctions screening” will avoid placing companies and attendees in embarrassing situations where attendees are prohibited from attending certain meetings and events due to their citizenship or political background. Corporations must pay particular attention to existing sanctions and international trade controls to ensure that the citizenship of attendees does not preclude certain content from being exhibited and discussed, or alternatively, that appropriate export licenses are in place to allow for any technological discussions.

## HOW TO COMPLY

- 1 SCREEN attendee lists prior to sending invitations to identify individuals that are prohibited from attending an event.
- 2 LEVERAGE your attendee management software to ask additional qualifying questions that may raise a flag around attendees not identified during the initial screening.
- 3 Have attendees personally VERIFY their eligibility to attend an event during the registration process.

## Internal Controls & Risk Mitigation Strategies

Due to the heightened regulatory environment and the potential risks it presents, leading corporations are now inserting their internal compliance departments as the final approvers for engagement of meetings management companies as well as for each proposed meeting or event. Common internal controls being implemented include:

- › Review of the proposed meeting agenda;
- › Screening of proposed attendee lists to ensure

- adequate business justification exists;
- › Review and screening of suppliers;
- › Appropriate handling of PI;
- › Development of per attendee spending budget reports; and
- › Completion of audit reports following the conclusion of the event to confirm attendance, spending, and other key metrics.

## Emerging Region Considerations

All of these challenges outlined above can be even more significant in emerging regions, where business growth opportunities and the need for in-person training or conferences are greater. Sophisticated meetings management companies – with their global reach and experience with local suppliers – can help navigate some of the difficult logistical issues that may arise in developing regions. Companies should be particularly vigilant in making sure that local vendors are subject to appropriate due diligence and aware of the companies’ policies on ethics and compliance.

## Summary

Meetings will continue to serve as a powerful tool for corporations to gather key stakeholders – customers, employees, and supply chain personnel – to establish alignment, direction and guidance to achieve the corporations’ goals. Along with a detailed budgetary analysis, successful meetings should include a review of regulatory compliance requirements early in the planning process to help guide the critical procurement decisions that follow. Experienced meeting management companies can serve as a valuable resource to assist corporations in executing a within budget, compliant, and high-impact event, which can serve as the critical foundation for increased growth and future sales.



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