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SEC Charges Global Software Company SAP for FCPA Violations

German multinational agrees to monetary sanctions of nearly \$100 million to settle SEC's bribery charges

FOR IMMEDIATE RELEASE | 2024-4

Washington D.C., Jan. 10, 2024 — The Securities and Exchange Commission today announced charges against global software company SAP SE for violations of the Foreign Corrupt Practices Act (FCPA) arising out of bribery schemes in South Africa, Malawi, Kenya, Tanzania, Ghana, Indonesia, and Azerbaijan. The company agreed to monetary sanctions of nearly \$100 million in disgorgement and prejudgment interest to settle the SEC's charges.

The SEC's order finds that SAP, whose American Depositary Shares are listed on the New York Stock Exchange, violated the FCPA by employing third-party intermediaries and consultants from at least December 2014 through January 2022 to pay bribes to government officials to obtain business with public sector customers in the seven countries mentioned above. According to the SEC's order, SAP inaccurately recorded the bribes as legitimate business expenses in its books and records, despite the fact that certain of the third-party intermediaries could not show that they provided the services for which they had been contracted. The SEC's order finds that SAP failed to implement sufficient internal accounting controls over the third parties and lacked sufficient entity-level controls over its wholly owned subsidiaries.

"Our order holds SAP accountable for misconduct that spanned seven jurisdictions and persisted for several years and serves as a stark reminder of the need for global companies to be attuned to both the risks of their business and the need to maintain adequate entity-level controls over all their subsidiaries," said Charles E. Cain, Chief of the SEC Division of Enforcement's FCPA Unit.

In 2016, the SEC [charged SAP](#) with books and records and internal accounting controls violations in connection with a bribery scheme in Panama.

SAP consented to the SEC's order finding that it violated the anti-bribery, recordkeeping, and internal accounting controls provisions of the Securities Exchange Act of 1934. SAP agreed to cease and desist from committing or causing any violations of these provisions and to pay disgorgement of \$85 million plus prejudgment interest of more than \$13.4 million, totaling more than \$98 million, which will be offset by up to \$59 million paid by SAP to the South African government in connection with its parallel investigations into the same conduct.

The SEC's action is part of a coordinated global settlement that includes the United States Department of Justice (DOJ) and criminal and civil authorities in South Africa. In its parallel case, SAP agreed to pay the DOJ a \$118.8 million criminal fine and to a forfeiture of approximately \$103 million, of which \$85 million will be satisfied by the company's payment of disgorgement pursuant to the SEC's order.

The SEC's investigation was conducted by Sana Muttalib and Sonali Singh and was supervised by Ansu N. Banerjee of the SEC's FCPA unit.

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