

## Editorial

### From SFA to SFO

It was announced in March that Rosalind Wright – general counsel and an executive director of the city regulatory body, the Securities and Futures Authority – is to succeed George Staple as Director of the Serious Fraud Office.

The SFO has recently been the subject of a readable, and generally critical book, by the journalist, Brian Widlake (*Serious Fraud Office*, Warner Books, 1996). Some of his contentions – for instance that the civil service lawyers who staff the Office are self-evidently of ‘second-rate’ calibre – are over generalised, as is his sweeping disparagement of George Staple, whom he stigmatises as ‘a creature of Whitehall’. However, some of Widlake’s criticisms of the track record of the Office are undoubtedly well-aimed, as is his contention that the Director needs to be “a prosecutor of stature respected in legal circles, who has the management skills to weld together an organisation which is comfortable with itself.” Mrs Wright seems to fit the bill admirably. From 1983 to 1987 she headed the (pre-SFO) Fraud Investigation Group of the Crown Prosecution Service before moving to the prosecution department of the SFA where she was involved in several high profile cases, including the backwash from the Barings scandal.

But even with this fund of expertise to call upon, the new Director’s job is a tough one. The SFO – set up in 1988, in the wake of the Guinness scandal, on the recommendation of the Roskill Committee on fraud trials – has had a chequered history and has been

regularly pilloried by a hostile press (and now by Mr Widlake’s book). Responsibility for a succession of failed prosecutions in headline-hitting cases – Guinness, Blue Arrow, Brent Walker, Maxwell, to name only a few – has been laid at the SFO’s door, as has mishandling of the Asil Nadir case and Peter Levitt’s plea bargained community service sentence. Some of the criticism has been fair, some not. ‘Successes’ are, in this context and in others, given much less journalistic attention than ‘failures’. An overall conviction rate of 63 per cent since the Office was established is by no means deplorable, particularly given the inherent complexity of major frauds and the cunning of those who commit them.

The new Director comes into the post at a critical time (but has there been any other such time in the SFO’s nine year history?). Several big cases are currently under investigation, notably that involving the Morgan Grenfell fund manager, Peter Young. There will be no shortage of headlines. Meanwhile, Mrs Wright has promised to try to cut the length of fraud trials, and to make the working of the SFO more transparent; she is agnostic about the future role of juries in complex fraud cases. One issue which needs to be reviewed – and almost certainly will be, particularly if Labour wins the election – is the demarcation line between the SFO and the City’s regulatory bodies. Mrs Wright’s SFA background will be particularly useful in that context. Meanwhile, we wish her luck – she will certainly need it.

Gavin Drewry

## News

### International Lawyers To Review Franchise Law

The life cycle of an international franchise – from formation to dissolution – will be examined by legal experts from around the world during an International Bar Association Seminar in May.

The Seminar, to be held on 7 May, at Washington DC’s Capital Hilton Hotel, is the 14th annual event to be co-run by the International Franchising Committee (Committee X) of the IBA Section on Business Law, and the International Franchise Association.

Speakers including Committee Chairman Albrecht Schulz, Committee founder Martin Mendelsohn, and Matthew R Shay, IFA Vice-President, will address key topics such as how to prepare for international expansion, securing the interests and profits of both parties, improving franchise profitability, and organising and managing a separation.

“Franchising has been a growing area of the law in the past 15 years,” says Mr Schulz. “When the International Franchising Committee was established some 15 years ago, there were around 50 lawyers involved in it. Now there are 650 from around the world and, while franchising originated in the United States, 80 per cent of our members are from other regions, with 71 countries being represented.”

The Seminar will include five key sessions – Building the Foundations, Establishing and Maintaining a Healthy Relationship, Termination of the Relationship, News From Around the World, and A Look Ahead, as well offering delegates the opportunity to participate in two breakout sessions conducted in workshop format.

For information on both conferences contact the IBA, 271 Regent Street, London W1R 7PA, tel: +44(0)7171 629 1206.