NEW YORK STATE DEPARTMENT
OF FINANCIAL SERVICES

In the Matter of

SOCIÉTÉ GÉNÉRALE SA and
SOCIÉTÉ GÉNÉRALE, NEW YORK BRANCH

CONSENT ORDER UNDER
NEW YORK BANKING LAW §§ 39 and 44

The New York State Department of Financial Services (the "Department"), Société Générale SA ("Société Générale" or "SG") and Société Générale, New York Branch ("SGNY" or the "Branch") (together, the "Bank") are willing to resolve the matters described herein without further proceedings;

WHEREAS, Société Générale is an international banking and financial services company headquartered in Paris, France, which as of June 30, 2018 held assets of approximately $1.5 trillion and has approximately 147,000 employees worldwide;

WHEREAS, Société Générale has been licensed by the Department to operate a foreign bank branch in New York State since 1978;

WHEREAS, Société Générale maintained longstanding relationships with parties in countries subject to embargoes or otherwise sanctioned by the United States, including, most notably, parties in Sudan, Iran and Cuba, and has executed U.S. Dollar ("USD") transactions on behalf of such parties in violation of the laws and regulations of both the United States and the State of New York;

WHEREAS, SGNY has assets of approximately $85 billion and has provided USD clearing services to Société Générale in violation of the laws and regulations of both the State of New York and the United States. The Department finds as follows:

The Department's Findings After Investigation

The Department's Investigation

1. The Department has been investigating illicit and non-transparent USD transactions conducted by the Bank (the "DFS Investigation" or "Department's Investigation"). In connection with the DFS Investigation, the Department reviewed many thousands of pages of documents and obtained additional information from the Bank and other sources.

2. The DFS Investigation determined that, for the period 2003 through 2013 (the "Review Period"), the Bank failed to take sufficient steps to ensure compliance with U.S. sanctions laws and regulations in a timely manner. Individuals responsible for originating USD transactions outside of the U.S. had a minimal understanding of U.S. sanctions laws and regulations as they related to Sudan or other U.S. sanctions targets. The absence of an effective sanctions-compliance infrastructure created a situation where SG employees ignored the scope and applicability of U.S. sanctions laws and regulations, including those issued by the U.S. Treasury Office of Foreign Assets Control ("OFAC"). Accordingly, during the Review Period, the Bank executed over 2,600 outbound USD payments, valued at approximately $8.3 billion, in violation of applicable U.S. sanctions laws and regulations.

3. Additionally, employees at SG took affirmative steps to facilitate in a non-transparent manner what they termed "international settlement with countries under USD embargo" when processing USD payments involving Iran and other sanctioned countries. During the Review Period, the Bank executed more than 9,000 outbound USD payments, valued at over $13 billion, in an improper, non-transparent manner. This practice obscured from the Department's examiners the true nature of these transactions.

Illegal and Non-Transparent Financial Transactions Involving Iran

4. SG's relationship with Iranian customers dates back to the early 1970s. As relevant here, in early 1995 President Clinton, acting pursuant to International Emergency Economic Powers Act ("IEEPA"), issued Executive Order 12957, which severely restricted trade and investment activities between the United States and Iran. While subsequent executive orders strengthened these restrictions, for a period of time federal law excepted from these limitations certain transactions. One exception, effective until November 2008, authorized U.S. financial institutions to process certain funds transfers for the direct or indirect benefit of Iranian banks, other persons in Iran, and the Government of Iran, provided that such payments were initiated offshore by a non-Iranian, non-U.S. financial institution and only passed through the U.S. financial system en route to another offshore, non-Iranian, non-U.S. financial institution ("U-Turn" transactions).[1]

5. Executing compliant U-Turn transactions, however, often took longer than SG's customers expected or desired. Inclusion of complete transaction details in "SWIFT" payment messages,[2] such as the complete address of the originator or beneficiary, often triggered alerts at U.S. financial institutions, possibly subjecting the flagged transactions to further review. Once reviewers determined a transaction satisfied the U-Turn exemption it would proceed, but it might be delayed for several days while the review scrutinized the transaction, thus frustrating the customer.

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[1] *See, e.g.*, https://www.treasury.gov/press-center/press-releases/Pages/hp1257.aspx.

[2] The Society of Worldwide Interbank Financial Telecommunications ("SWIFT") is owned and operated by a consortium of banks and provides participating members an international network through which they may exchange electronic wire transfer messages. The SWIFT network offers various message types that can be used to transfer funds between banks; each type of message includes various informational fields.

6. Elevating customer service over compliance, SG's Paris Operations Department developed a procedure specifically for what it called "international settlement with countries under USD embargo" when processing USD payments involving Iran. This procedure frequently involved using "cover-payments" to avoid detection in the U.S. by dividing the SWIFT payment instructions involving Iranian bank treasury transactions or customer payments into two message streams.

7. The first SWIFT payment message, known as an "MT103," included all details about the transaction, and SG would send it directly to the Iranian beneficiary's bank. SG would then send a second message, known as an "MT202" or "cover payment" message, to SGNY. The cover payment message did not include details about the underlying parties to the transaction and was sent in order to accomplish a transaction to be settled in U.S. dollars. If such information was inadvertently included in the MT202 payment message, it would be removed or stripped from the message, a practice known as "wire stripping."

8. This process was designed to omit details included in the payment message sent to SGNY that might have been flagged by human or electronic scrutiny for possible OFAC violations, and which might have led the U.S. bank to delay or block the transaction. A document describing the 2003 procedure used by the SG Paris Operations Department explicitly acknowledged that ***"[r]egarding the OFAC rules there is no risk for SOCGEN except if we make a mistake in the MT202."*** It also specifically warned operations staff to avoid referencing the actual, sanctioned originator and/or beneficiary names in the body of the MT202, else SGNY might flag it: ***"If we put the two names in MT202 this will be impossible for SG NY."***

9. In light of this practice, the Department was unable to learn of the true nature of these transactions when carrying out its supervisory responsibilities such as examinations or other reviews.

10. SG corresponded with customers to assure them U.S. sanctions would have a minimal impact on customer service. In December 2002 correspondence with a representative of an Iranian-bank customer, an SG Paris employee assured a customer that SG could continue to provide USD clearing services despite existing sanctions laws:

> ***Due to SG's very high consideration for your country and to the commercial efforts made during the last two years aimed at building a solid and harmonious relationship with [the Iranian bank]*** . . . we are pleased to tell you that it has been decided that the usual SG risk management specific procedures for sensitive situations, such as with countries under USA embargo, will not apply to [the Iranian bank] . . . .

11. Other internal correspondence highlighted the ongoing importance of SG's Iranian business and its willingness to circumvent its compliance controls in order to satisfy its Iranian customers. For example, in a 2003 e-mail thread with the subject line "IRAN: Transactions in USD = an urgent problem to be resolved[,]" the author(s) concisely summarized the improper conduct to date:

> We would like to draw to your attention the difficulties we are facing in processing transfer transactions in USD on behalf of Iranian banks. Until now, we were able to process this kind of transaction through the intermediary of U.S. banks located outside the U.S. ***by systematically hiding on the message to the correspondent the identity of the ordering party and of the beneficiary when it is domiciled in the U.S.*** This no longer seems possible.

12. The practice nonetheless continued. When a senior member of SGNY Compliance met with operational employees in Paris involved in the correspondent banking group to address the requirements for U-Turn transactions, there was no discussion of the need

for transparency, or of discontinuing the cover payment deception. Nor did the Compliance function provide appropriate instruction when employees in the Correspondent Banking division sought further guidance from Compliance staff regarding payment processing.

13. Instead, Compliance staff provided brief, perfunctory instructions directing the Correspondent Banking division to follow the U-Turn rule to avoid transaction delays or rejections. Accordingly, Iranian customers continued to instruct Correspondent Banking ***"not [to] mention any Iranian names in New York***" and only include such information in the corresponding MT103 payment message transmitted to the non-U.S. intermediary institution – requests that SG continued to honor until 2006. In another instance, a SG Paris employee wrote about U-Turn payments, ***"[f]or the future, I suggest avoiding mentioning [the Iranian corporation's] name. It is preferable to indicate the name of the SPCs [Special Purpose Companies] which will avoid any issue while enabling the various parties to identify the transaction in order to apply the funds. All of this must remain OFAC compliant."***

14. And in an internal e-mail from March 2004 describing a procedure for processing USD payments in connection with transactions for subsidiaries of Iranian banks based in London, an SG Paris operations employee was instructed to undertake a manual payment process ***to ensure Iranian names do not "appear in the USA."***

15. SG's dealings with Iran during the Review Period were substantial. The Bank executed nearly 8,000 USD payments with an Iranian nexus, totaling over $12 billion in value, in a manner that intentionally obscured their true nature from the Department.[3] During this same time period, the Bank executed approximately 109 USD payments, valued at nearly $76 million,

[3] Although the Bank represents that an "overwhelming majority" of this group of transactions may have qualified for the U-Turn exemption, this does not justify an effort to intentionally and wilfully conceal from the Department the true nature of the transactions, such that they cannot be properly examined, reviewed and analyzed.

which, even if transparent, would not have qualified for the U-Turn exemption and were therefore illegal under federal sanctions law.

16. Further, SG (a) maintained USD-denominated correspondent accounts for Iranian banks, (b) maintained approximately 70 USD-denominated loans related to Iranian parties (the overwhelming majority of which were booked in Paris, though a small number were booked in Tokyo), and (c) executed over 300 USD money market deposits involving Iranian banks.[4]

Illegal and Non-Transparent Financial Transactions Involving Sudan

17. The DFS Investigation also determined that, after certain USD transactions originating from SG's Paris Rive Gauche Enterprises Branch ("PRGE") became blocked by financial institutions in the United States, SG determined that the originating party was a mining company in Sudan (the "Sudanese Entity"). The majority owner of the Sudanese Entity is the government of Sudan, a country that at the relevant time was subject to U.S. economic sanctions due to human rights abuses and support for international terrorism.

18. To facilitate USD transactions involving the Sudanese Entity, SG personnel at PRGE sent payment instructions to U.S. financial institutions through the SWIFT payment messaging system. To avoid triggering the Bank's transaction monitoring and sanctions filtering tools or raising red flags at the USD clearing institution, the Sudanese Entity's address was intentionally omitted from SWIFT messages transmitted to financial institutions located in the U.S., including SGNY. Instead, nearly all of the relevant SWIFT messages transmitted to the U.S. listed an address for the Sudanese Entity in Paris associated with one of its shareholders. Consequently, the nexus between the transaction and the sanctions target was not apparent on the

[4] Again, the fact that certain of these transactions may have qualified for the U-Turn exemption does not warrant the intentional and willful concealment from the Department of the nature of these financial dealings. Further, it was not until 2006 that SG began efforts to limit its exposure to the risks associated with Iran by avoiding new USD business with Iranian customers and decreasing the country risk limit.

face of the payment message, and regulators and others involved in the transaction flow were deceived.

19. When, in December 2008 and January 2009, several payment messages originated by PRGE on behalf of the Sudanese Entity included a Sudanese address, transaction monitoring alerts were triggered at the Bank's retail banking division in Paris (known as "BDDF"). As a result, a senior member of the back office at PRGE directed resubmission of two of the payment messages, stating that he would instruct relevant PRGE back office personnel to "***redo it putting in [the payment message] the [Sudanese Entity's] address in France[].***"

20. Although a member of the BDDF filtering team subsequently instructed certain PRGE employees to stop executing USD payment orders on behalf of the Sudanese Entity shortly after this incident, the Bank lacked controls sufficient to implement this direction effectively. Indeed, in the case of the Sudanese Entity, pertinent know-your-customer ("KYC") documentation on file in France revealed the Sudanese Entity's connection to the government of Sudan. Yet, the Bank failed to effectively utilize this information in its possession to prevent illegal transactions.

21. Thus, in May 2009 the Bank, through PRGE employees, resumed processing USD transactions on behalf of the Sudanese Entity by again including a French address in the pertinent SWIFT messages. This practice of concealing the true nature of these transactions continued for nearly three more years.

22. The DFS Investigation determined that from May 2007 through March 2012, SG illegally conducted 260 outbound USD transactions on behalf of the Sudanese Entity totaling more than $22 million. All but two of these illicit transactions listed the Paris address for the

Sudanese Entity in the outbound payment message, and 20 of these transactions, totaling approximately $2 million, cleared directly through SGNY.

Illegal and Non-Transparent Financial Transactions Involving Cuba

23. Restrictions on business with Cuba date back to the early 1960s. Executive Orders issued in 1960 and 1962 pursuant to the Trading With the Enemy Act ("TWEA"), along with subsequent OFAC regulations, prohibited virtually all non-humanitarian transactions involving Cuba. In violation of these provisions, SG's Global Finance Department ("GLFI") maintained a number of USD-denominated credit facilities related to Cuban parties or assets. During the Review Period, SG maintained approximately 30 such facilities, some of which involved Cuban entities and others implicated financing of foreign trading companies exchanging Cuban commodities.

24. As with its Iranian business, SG worked during the Review Period to ensure that U.S. sanctions did not interfere with its Cuba-related business. General guidelines applicable to SG's handling of USD transactions on behalf of Iranian parties were equally applicable to USD transactions possibly implicating Cuban restrictions. As one member of SG's anti-money laundering ("AML") team advised in February 2003, if a SWIFT message transmitted to a U.S. financial institution, including SGNY, were to include a reference to Cuba, "***the message [would] need[] to be 'repaired' so that a USD order including these indications does not go through our New York [office].***" "Repaired" is a term that was employed in the banking industry to describe wire stripping.

25. In May 2004, SG personnel began to escalate concerns internally about risks associated with ongoing Cuban business. The concerns were rooted in an enforcement action brought by the Board of Governors of the Federal Reserve System on May 10, 2004 against

UBS, AG that resulted in a $100 million penalty (the "UBS Order"). Among other things the UBS Order noted that UBS had facilitated USD transactions involving parties in jurisdictions subject to U.S. sanctions, including Cuba, Libya and Iran.[5]

26. The next day, a senior member of the Bank's General Secretariat sent a summary of the UBS Order prepared by an outside law firm to members of SG's senior management. A member of SG's Country Risk Department also forwarded this summary to members of GLFI, requesting that they curtail USD business involving Cuba. Two days later, a Managing Director of AML/OFAC Compliance at SGNY drafted a summary of the UBS Order for review by members of the Bank's Executive Committee, with a copy also sent to SGNY's Chief Compliance Officer and General Counsel.

27. Later that year, GLFI began the process of denominating both existing and new lending facilities with a nexus to Cuba in Euros rather than U.S. Dollars. However, despite the request from SG's Country Risk Department that GLFI curtail USD business involving Cuba, GLFI failed to take this action with respect to the largest of its Cuban credit facilities, Cuban Facility 1 ("CF1"). CF1 was a secured financing arrangement where funds were provided to a Dutch corporation ("Corporation 1") to, among other things, store and refine crude oil at a Cuban oil refinery and re-sell the oil either in the Cuban market or as an export. CF1 operated from October 2000 through October 2010, consisting of two inter-related loan agreements: (a) a $40

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[5] *See* https://www.federalreserve.gov/boarddocs/press/enforcement/2004/200405102/default.htm ("The Federal Reserve Board on Monday announced the issuance of an Order of Assessment of a Civil Money Penalty in the amount of $100 million against UBS, AG, Zurich, Switzerland, a foreign bank. UBS, without admitting to any allegations, consented to the issuance of the Order in connection with U.S. dollar banknote transactions with counterparties in jurisdictions subject to sanctions under U.S. law, specifically Cuba, Libya, Iran, and Yugoslavia. The transactions were conducted through UBS's Extended Custodial Inventory (ECI) facility in Zurich, Switzerland, which was operated pursuant to a contract with the Federal Reserve Bank of New York. The Reserve Bank determined that certain former officers and employees of UBS engaged in intentional acts aimed at concealing the transactions and terminated the contract in October 2003.")

million import facility agreement ("IFA"); and (b) a $40 million receivables purchase agreement ("RPA"). SG was both the facility agent and a participant (along with another European bank) in the IFA.

28. The IFA revolved on a weekly basis. Until the facility's termination in 2010, all drawdowns and repayments cleared through SGNY.

29. Despite the centrality of Cuban assets and territory to CF1, SG looked only to the nationalities of the parties involved in the transactions, typically Corporation 1 and another foreign corporation, when measuring the risks and legal obligations associated with CF1. Consequently, CF1 received no attention from Compliance, Risk and other personnel tasked with managing the Bank's transition of Cuban credit facilities from USD to other currencies. Indeed, compliance personnel charged with understanding longstanding U.S. sanctions against Cuba never reviewed the IFA.

30. It was not until 2010, shortly after the advent of the Bank's Group Sanctions Compliance function, that CF1 began to receive the scrutiny warranted by virtue of its nexus to Cuba. By that time, the Bank had processed nearly $15 billion in unlawful USD payments (inbound and outbound) related to CF1 alone, and nearly $350 million in USD payments pertaining to other Cuban facilities. All of these USD payments and repayments during the life of CF1 cleared through SGNY.

Total Volume of Non-Transparent and Impermissible Transactions

31. During the Review Period, the Bank executed more than 9,000 outbound USD payments, valued at over $13 billion, in an improper, non-transparent manner. Over $12.5 billion of these non-transparent payments had a nexus to Iran, nearly $130 million had a nexus to Cuba, and approximately $29 million had a nexus to Sudan. The majority of the 9,000 non-

transparent payments were processed using the cover-payment method, though approximately 450 payments, totaling approximately $5.4 billion, were made pursuant to "special instructions" from Bank customers.

32. During the Review Period, the Bank executed over 2,600 outbound USD payments, valued at approximately $8.3 billion, in violation of applicable U.S. sanctions laws and regulations. Nearly $7.7 billion of these impermissible transactions related to the Bank's Cuban credit facilities, approximately $333 million implicated sanctions against Sudan, and nearly $140 million involved sanctions against Iran. The remaining impermissible payments were made in violation of sanctions against Libya (approximately $145 million), Myanmar (approximately $14 million) and North Korea ($500,000).

SG's Deficient Sanctions Compliance and Slow Start in Implementing Reforms

33. The DFS Investigation determined that a principal factor that allowed these unlawful practices to flourish at SG was the inadequacy of the Bank's sanctions-related internal controls. In 2003, the Bank issued a group-wide policy on combating terrorist financing which discussed sanctions compliance. The policy focused primarily on French and European Union requirements and mentioned U.S. sanctions regulations only in passing. However, the policy did state that U.S. sanctions regulations "apply to transactions denominated in US dollars, regardless of the location of the issuing institution, if these transactions transit through United States territory." Despite the fact that this piece of information was circulated to compliance officers group-wide, prohibited and non-transparent transactions continued through SGNY.

34. Prior to 2009, the Bank had no centralized sanctions compliance function. Due to the absence of a centralized facility responsible for ensuring compliance with U.S. embargoes, sanctions compliance policies were at best *ad hoc*. While SGNY provided periodic targeted

sanctions training and guidance to employees outside of the U.S. (particularly in Paris), the Bank lacked an enterprise-wide sanctions compliance training program. Moreover, SGNY's sporadic training regarding sanctions compliance provided woefully inadequate instruction concerning applicability of U.S. sanctions laws to USD clearing activities involving parties abroad.[6]

35. The absence of a global policy enabled branch offices not only in France and the U.S., but in other parts of the world (including such major financial hubs as Singapore, Japan and Australia) to misunderstand or ignore the scope and applicability of U.S. sanctions laws and regulations. Though the majority of impermissible and non-transparent USD payments identified in the DFS Investigation originated in France, the Bank's inadequate compliance function also allowed other foreign branches reviewed in the DFS Investigation to engage in unlawful USD payments.

36. In light of these deficiencies, a 2007 internal memorandum prepared at the request of the Bank's Office of General Secretariat identified the absence of a centralized function as a significant flaw and described sanctions compliance duties as "fragmented among several departments." Among other things, the 2007 memorandum concluded that:

> ***The internal organization related to embargos involves a variety of players which makes it barely understandable with regard to the departments – especially departments directly responsible for monitoring embargos . . . . The players of this system maintain few formalized relationships. . . . The [guidelines] related to embargos are scattered and are found in several different internal documents . . . . None of these instructions precisely details the internal organization which is supposed to effectively monitor embargos."***

[6] One compliance employee, for example, stated during the Bank's internal investigation that the U-Turn rule "[w]as a complicated routing rule which employees did not necessarily understand" early in the Review Period. The employee also indicated that "the jurisdictional implication of USD transactions transiting through the U.S. was not a primary focus among Correspondent Banking employees."

37. In February 2009, the Bank finally created the position of Head of Group Sanctions Compliance. Even then, it was not until July 2010 that the Bank issued an enterprise-wide policy regarding sanctions compliance.

Cooperation

38. The Department recognizes the Bank's very substantial cooperation with the Department's Investigation, including the Bank's own internal investigation, appropriate responses to the Department's requests for information, the production of voluminous quantity of documents, and presentation of the results of its internal investigation and responses to additional queries from the Department. The Department has given substantial weight to this cooperation in agreeing to the terms and remedies of this Consent Order, including the civil monetary penalty imposed.

NOW THEREFORE, to resolve this matter without further proceedings pursuant to the Superintendent's authority under Sections 39 and 44 of the Banking Law, the Department and the Bank hereby stipulate and agree to the terms and conditions listed below requiring further review of the Bank's activities, for remediation, and for imposition of a penalty:

Violations of Laws and Regulations

39. Société Générale and SGNY have conducted business in an unsafe and unsound manner, in violation of Banking Law § 44.

40. Société Générale and SGNY failed to maintain an effective and compliant OFAC compliance program, in violation of 3 N.Y.C.R.R. § 116.2.

41. Société Générale employees knowingly made and caused to be made false entries in the Bank's books, reports, and statements and omitted and caused to be omitted therefrom true entries of material particular pertaining to the U.S. dollar clearing business of the Bank at SGNY,

with the intent to deceive or mislead, or the reasonable expectation that such entries would deceive or mislead, the Superintendent and examiners of the Department and representatives of other U.S. regulatory agencies that were lawfully appointed to examine the Bank's condition and affairs, in violation of 3 N.Y.C.R.R. § 3.1.

42. Société Générale and SGNY failed to maintain and make available at the Branch appropriate books, accounts and records reflecting all transactions and actions, in violation of New York Banking Law § 200-c.

43. Société Générale and SGNY failed to submit a report to the Superintendent immediately upon discovering fraud, dishonesty, making of false entries and omission of true entries, or other misconduct, in violation of 3 N.Y.C.R.R. § 300.1.

44. Société Générale and SGNY failed to submit a report to the Superintendent of one or more incidents that appear to relate to a plan or scheme that would be of interest to similar organizations located in the same area or throughout the state, in violation of 3 N.Y.C.R.R. § 300.4.

Settlement Provisions

Civil Monetary Penalty

45. The Bank shall pay a penalty pursuant to Banking Law § 44 to the Department in the amount of $325,000,000. It shall pay the entire amount within ten days of executing this Consent Order. The Bank agrees that it will not claim, assert or apply for a tax deduction or tax credit with regard to any U.S. federal, state, or local tax, directly or indirectly, for any portion of the penalty paid pursuant to this Consent Order.

Employee Discipline

46. SG took disciplinary action to terminate or otherwise discipline employees for the conduct identified in the DFS Investigation, namely: a senior member of Group Compliance and a senior member of GLFI Export Finance. Additionally, almost all of the other SG employees involved in the misconduct described above resigned from SG or were otherwise terminated due to unrelated reasons prior to the time any disciplinary action might have been taken against them.

47. SG shall not in the future, directly or indirectly, rehire or retain any of the individuals referenced in Paragraph 46 above, as either an officer, employee, agent, consultant, or contractor of SG or any affiliate of SG, or in any other capacity.

Remediation for SG's Sanctions Compliance Program

Sanctions Compliance Plan

48. Within ninety (90) days of the execution of this Order, the Bank shall submit to the Department a written plan, acceptable to the Department, to improve and enhance the Bank's compliance with applicable OFAC and New York laws and regulations relating to sanctions compliance (the "Sanctions Compliance Plan"). At a minimum, the Sanctions Compliance Plan shall include the following:

a. an annual assessment of OFAC compliance risks arising from the global business activities and customer base of SG subsidiaries, including risks arising from transaction processing and trade finance activities conducted by or through SG's global operations;

b. policies and procedures to ensure compliance with applicable OFAC Regulations by SG's global business lines, including screening with respect to transaction processing and trade financing activities for the direct and indirect customers of SG subsidiaries;

c. the establishment of an OFAC compliance reporting system that is widely publicized within the global organization and integrated into SG's other reporting systems in which employees report known or suspected violations of OFAC regulations, and that includes a process designed to ensure that known

or suspected OFAC violations are promptly escalated to appropriate compliance personnel for appropriate resolution and reporting;

d. procedures to ensure that the OFAC compliance elements are adequately staffed and funded;

e. training for SG's employees in OFAC-related issues appropriate to the employee's job responsibilities that is provided on an ongoing, periodic basis; and

f. an audit program designed to test for compliance with OFAC Regulations.

49. To the extent that the Bank has already created such a plan to address Paragraph 48 a. through f. above, such plan may reference the relevant updates or revisions to such policies, procedures and processes called for by subparagraphs a. through f.

Corporate Oversight Plan

50. Within ninety (90) days of the execution of this Order, the Bank shall submit to the Department a written plan, acceptable to the Department, to enhance oversight, by the management of SG and SGNY, of SGNY's compliance with applicable OFAC and New York laws and regulations relating to sanctions compliance (the "Sanctions Corporate Oversight Plan"). The Sanctions Corporate Oversight Plan shall provide for a sustainable governance framework that, at a minimum, addresses, considers and includes:

a. actions the board of directors will take to maintain effective control over compliance with both OFAC laws and regulations and related New York laws and regulations;

b. measures to improve the management information systems reporting of the SGNY's compliance with both OFAC laws and regulations and related New York laws and regulations to the senior management of SG and SGNY;

c. clearly defined roles, responsibilities, and accountability regarding compliance with both OFAC laws and regulations and related New York laws and regulations for SG's and SGNY's respective management, compliance personnel, and internal audit staff;

d. measures to ensure that the person or groups at SG charged with the responsibility of overseeing SGNY's compliance with both OFAC laws and regulations and related New York laws and regulations possess appropriate subject matter expertise and are actively involved in carrying out such responsibilities; and

e. adequate resources to ensure compliance with this Order.

51. To the extent that the Bank has already created such a plan to address Paragraph 50 a. through e. above, such plan may reference the relevant updates or revisions to such policies, procedures and processes called for by subparagraphs a. through e.

Progress Reports

52. Within thirty (30) days after the end of each calendar quarter following the execution of this Order, SG shall submit to the Department written progress reports detailing the form and manner of all actions taken to secure compliance with the provisions of this Order and the results thereof, including, but not limited to, Paragraphs 48 – 51 above.

Full and Complete Cooperation of Société Générale

53. Société Générale commits and agrees that it will fully cooperate with the Department regarding all terms of this Consent Order.

Breach of Consent Order

54. In the event that the Department believes the Bank to be in material breach of the Consent Order, the Department will provide written notice to the Bank and the Bank must, within ten (10) business days of receiving such notice, or on a later date if so determined in the Department's sole discretion, appear before the Department to demonstrate that no material breach has occurred or, to the extent pertinent, that the breach is not material or has been cured.

55. The parties understand and agree that the Bank's failure to make the required showing within the designated time period shall be presumptive evidence of the Bank's breach.

Upon a finding that the Bank has breached the Consent Order, the Department has all the remedies available to it under New York Banking and Financial Services Law and may use any evidence available to the Department in any ensuing hearings, notices, or orders.

Waiver of Rights

56. The parties understand and agree that no provision of this Consent Order is subject to review in any court or tribunal outside the Department.

Parties Bound by the Consent Order

57. This Consent Order is binding on the Department and the Bank, as well as any successors and assigns. This Consent Order does not bind any federal or other state agency or law enforcement authority.

58. No further action will be taken by the Department against the Bank for the specific conduct set forth in this Order, provided that the Bank complies with the terms of the Order. Notwithstanding any other provision in this Consent Order, the Department may undertake additional action against the Bank for transactions or conduct that the Bank did not disclose to the Department in the written materials that the Bank submitted to the Department in connection with this matter.

Notices

59. All notices or communications regarding this Consent Order shall be sent to:

For the Department:

Debra C. Brookes
Senior Assistant Deputy Superintendent for Enforcement
New York State Department of Financial Services
One State Street
New York, NY 10004

Megan Prendergast Millard
Deputy Superintendent for Enforcement
New York State Department of Financial Services
One State Street
New York, NY 10004

For Société Générale and Société Générale, New York Branch:

Edouard Malo Henry
Group Head of Compliance
Société Générale
CPLE
TOURS SOCIÉTÉ GÉNÉRALE
Etage A30 Bureau 365
189 Rue d'Aubervilliers
75886 PARIS CEDEX 18
France

Laura Schisgall
Managing Director and General Counsel
Société Générale Americas
245 Park Avenue
New York, NY 10167

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Miscellaneous

60. Each provision of this Consent Order shall remain effective and enforceable until stayed, modified, suspended or terminated by the Department.

61. No promise, assurance, representation, or understanding other than those contained in this Consent Order has been made to induce any party to agree to the provisions of the Consent Order.

IN WITNESS WHEREOF, the parties have caused this Consent Order to be signed this 19th day of November, 2018.

SOCIÉTÉ GÉNÉRALE SA

By: _____
DOMINIQUE BOURRINET
Group General Counsel

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

By: _____
MARIA T. VULLO
Superintendent of Financial Services

SOCIÉTÉ GÉNÉRALE, NEW YORK BRANCH

By: _____
LAURA SCHISGALL
Managing Director and General Counsel

By: _____
MATTHEW L. LEVINE
Executive Deputy Superintendent for Enforcement

Miscellaneous

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IN WITNESS WHEREOF, the parties have caused this Consent Order to be signed this ____ day of November, 2018.

SOCIÉTÉ GÉNÉRALE SA

By:_____
DOMINIQUE BOURRINET
Group General Counsel

SOCIÉTÉ GÉNÉRALE, NEW YORK BRANCH

By:_____
LAURA SCHISGALL
Managing Director and General Counsel

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

By: _____
MARIA T. VULLO
Superintendent of Financial Services

By: _____
MATTHEW L. LEVINE
Executive Deputy Superintendent for Enforcement