

## BANKING AND FINANCE SECTOR

Banks and financial institutions operate in a highly complex global environment. Companies and individual consumers are demanding more sophisticated products and services from the industry. Meanwhile, governments and regulatory bodies are placing greater restrictions on how banks and financial institutions lend and invest money.

Failure to comply with regulations can seriously impact banks, investors and other entities operating in the banking and finance sector. Government enforcement actions can lead to substantial financial penalties, costly litigation and damage to the institution's reputation.

### **Environmental Issues Impacting the Banking and Finance Sector**

Recently, financial institutions have been forced to examine potential environmental issues and potential risks associated with their activities. Negative environmental impacts can lead to intrusive government investigations and years of costly and disruptive litigation. Because environmental liabilities pose substantial risks to both corporate performance and investors, financial institutions are developing policies and procedures to better position themselves to address these complex environmental challenges.

Banks and investors are paying closer attention to the companies to whom they are lending money. The sector faces increased scrutiny from both governmental bodies and environmental interest groups to refrain from providing credit and helping to raise capital for companies that may be causing substantial environmental damage, such as the release of toxic chemicals and pollutants. To avoid potential negative impacts on the environment, many banks have instituted environmental compliance management divisions that are responsible for developing environmental protection standards and other best practices.

Financial institutions that fail to take proactive steps to protect themselves may be exposed to significant liability. For example, when a financial institution serves as a principle shareholder in a

company, it can be held directly liable for the environmental risks and harms stemming from the company's operations. Additionally, when a financial institution takes possession of a company's collateral assets, it may be liable for third-party claims and damages arising from the company's failure to comply with environmental laws and regulations.

## **Assisting the Banking and Finance Sector**

The attorneys at Bick Law help companies in the banking and finance sector address these complex environmental issues and challenges. Our lawyers provide comprehensive and individualized environmental compliance services to our financial sector clients. We track and analyze changing laws so our clients are fully aware of the regulations and standards governing industry practices.

Our firm combines an extensive understanding of the banking and finance sector with deep knowledge of environmental laws and regulations to develop practical and cost-effective solutions that best meet our clients' business needs. Whether we are helping a bank develop an environmental compliance management program, advising a financial institution on environmental due diligence practices or defending an organization in a regulatory enforcement proceeding, our goal is to help our clients identify, avoid and mitigate the environmental risks associated with their financing and lending activities.