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Beyond the Ultra Electronics DPA: A Different Lesson for Companies

Much has already been written about the May 2026 Serious Fraud Office's Deferred Prosecution Agreement with Ultra Electronics Holdings Limited. Most commentary has focused on the facts of the case, the penalties imposed, and the cooperation that earned the company credit. Equally important, however, is what the matter says about what companies should be doing before they face a problem, indeed to avoid one.

The Ultra Electronics matter is a reminder that corruption cases rarely result from a single control failure. More often, they arise when seemingly manageable decisions become normalised and existing safeguards fail under commercial pressure. The question is therefore not whether companies have compliance programs, but whether those programs work effectively.

Compliance Must Reflect Commercial Reality

Companies are in a far stronger position to assess vulnerabilities before an investigation begins than after. Once problems emerge, management is forced to make decisions under pressure, often with substantial disruption and at considerable expense. Periodic reviews conducted during ordinary operations allow organisations to identify weaknesses and make improvements in a more thoughtful and cost-effective manner.

Importantly, these efforts do not necessarily require more controls, more personnel, or larger budgets. Most organisations already possess the resources and information needed to manage risk effectively. What is often needed is not more compliance controls, but more intelligent implementation and oversight of existing controls.

The most effective frameworks are those tailored to the company's organisational structure, decision-making processes, and commercial realities. Controls should support the business, not force the business into a theoretical model.

Coordination Matters More Than Complexity

The Ultra Electronics resolution also underscores the continuing importance of third-party risk from agents and intermediaries. Yet the answer is not simply more procedures. Many companies can materially improve their oversight by making better use of information already available to finance, procurement, legal, compliance, and business personnel and by ensuring that those functions communicate effectively.

These considerations are equally relevant to M&A transactions, where corruption and sanctions risks are often embedded in inherited third-party relationships, distribution arrangements, and local business practices. Effective due diligence and integration require close coordination among deal teams, legal, compliance, finance, and operational personnel to ensure that risks identified during the transaction process are addressed rather than simply transferred to the combined organisation.

More broadly, organisations frequently have access to the expertise they need but struggle to coordinate it. Internal personnel, outside counsel, forensic accountants, and business leaders may all possess important pieces of the picture, yet their efforts can become fragmented, duplicative, and unnecessarily expensive.

Management's challenge is therefore not simply obtaining advice, but synthesising it and translating it into practical decisions. Effective prevention and remediation depend as much on execution and project management as on technical expertise.

Independence and Experience Matter

Boards and senior management often seek more than technical answers. They want confidence that risks are being addressed in a manner that is commercially realistic, operationally sustainable, and informed by experience across industries and jurisdictions.

Independent advisors with legal, managerial, and operational experience can provide valuable perspective, help synthesise recommendations from multiple sources, and serve as objective sounding boards. Equally important, they can work with existing internal teams and external professionals rather than adding another layer of cost or complexity. Organisations that get it right save the enormous cost and upheaval of getting it wrong.

Questions Companies Should Be Asking

The Ultra matter provides an opportunity for management and boards to ask:

- Would our controls withstand commercial pressure?
- Are they aligned with how the business actually operates?
- Are we making full use of existing resources and institutional knowledge?
- Do our legal, compliance, finance, procurement, and business functions communicate effectively?
- Are we devoting sufficient attention to identifying and managing risks in M&A transactions and inherited third-party relationships, including through close coordination of transaction teams, control functions, and business leaders?
- Do we have access to objective, multidisciplinary perspectives that can translate technical advice into practical action?

The broader significance of the Ultra Electronics DPA is not that another company settled with, or provided responsible cooperation to, the SFO. It is that successful compliance depends less on the proliferation of controls and more on disciplined execution, cross-functional coordination, and experienced judgment. The best compliance programs are not necessarily the most elaborate. They are the ones that are practical, proportionate, and designed to support the business they are intended to protect.

We have helped major organisations navigate these issues. Happy to tell you more.