

COMPLIANCE INCREASINGLY IMPORTANT FOR COMPANIES OPERATING IN PORTUGAL - ABBC

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Despite a relatively undeveloped legal framework for compliance, companies can still be held criminally liable for the actions of their representatives

Although Portugal – unlike some other EU member states such as Spain and the UK – does not have a highly developed legal framework for corporate compliance, it is an increasingly important consideration for local and multinational companies operating in the country, according to Bruno Azevedo Rodrigues, partner at ABBC in Lisbon.

He adds that despite the difference when compared other jurisdictions, criminal liability is “still extended to companies and they can be held responsible for the actions of their representatives”. Azevedo Rodrigues continues: “Therefore, from a criminal point of view, corporate compliance is of great concern.” He says that law firms have had an important role to play in advising companies on the issue of compliance, particularly as Portugal has experienced an increase in foreign investment in recent years. “If you commit a crime as a director of a company, and with the consent of the company, you involve the company, as well as implicating other employees,” Azevedo Rodrigues adds. He says that compliance advice to companies moving to Portugal – particularly those from

outside Europe, such as US or Asian financial institutions who may not be familiar with EU regulations – is a rich source of work for law firms in Portugal.

While there are small, boutique law firms specialising in compliance in other countries, it does not make sense for a law firm to do that in Portugal, Azevedo Rodrigues argues. “Instead we have lawyers that are specialised in compliance, and focused on a particular sector, such as banking and finance or pharmaceuticals,” he says.

Azevedo Rodrigues warns that, although Portugal may still be a couple of steps behind other jurisdictions, companies operating in the country are still regulated and must implement compliance policies. However, he adds that progress is being made and there is now a high level of awareness among companies doing business in Portugal regarding their compliance obligations, and, consequently, they have implemented the appropriate policies.