

COMPLY WITH ME - BDO

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Spanish companies are battling with ever-changing corporate rules to ensure that their business activities are fully-compliant with domestic and international regulations.

Paula Álvarez-Ossorio, Director of the Dispute Resolution Department at BDO and lead contact for compliance, identifies three topical issues that Spanish corporates are currently facing. The first two issues involve legislation, namely the 2010 reform of the domestic criminal code, which brought in criminal corporate liability, and the US Foreign Account Tax Compliance Act (FATCA), which will come into force on January 1st, 2014.

"FATCA combats tax evasion using foreign financial institutions," Álvarez-Ossorio explains. "The extraterritorial scope of the FATCA legislation will affect a wide range of players in the financial markets, which will have to adapt to the demanding administrative burden that FATCA has established."

The third matter is functional. The financial crisis in Spain means affected organisations are now looking to ensure that they are fully-compliant with the new legal and economic rules.

Álvarez-Ossorio believes that compliance in Spain is a relatively recent field and still a challenge for companies, law firms and courts due to the lack of local precedents.

Spanish companies are therefore looking at the Anglo-Saxon compliance model as best practice for the good management of companies, in order to reduce legal risks.

"Any good compliance programme must include the specific risks affecting the company, must respond to change, ensure fairness and should be real and applicable to the whole company,"

Álvarez-Ossorio concludes. "It is very important for law firms to train their lawyers to develop and offer complete compliance programmes that are adapted to clients' needs and requirements."