

# GOOD COMPLIANCE PROGRAMMES ARE A KEY TOOL FOR WINNING BUSINESS - VDA

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## **The penalties for non-compliance are becoming more severe as the Portuguese government increases efforts to tackle corruption**

As the Portuguese government steps up the fight against money laundering and corruption, companies increasingly recognise the need for a good compliance programme, the implementation of which can be a highly effective tool for preventing exposure to infractions and "mandatory for winning business", says Sofia Ribeiro Branco, partner at Vieira de Almeida in Lisbon.

"In Portugal, anti-money laundering (AML) and anti-corruption are at the top of the Government's legislative priorities, with new and more demanding AML laws in the process of being approved, which are mostly based on European legislation," Ribeiro Branco says. "In addition, laws related to cross-sector matters such as cybersecurity, competition, privacy, health, safety, security and environment have also been subject to significant change, as has the legal framework in regulated sectors such as energy, banking, insurance, auditing and capital markets." Ribeiro Branco adds: "On

the one hand, regulatory and criminal penalties are becoming more severe, while on the other, recent legal regimes entail the adoption of written compliance mechanisms and compliance programmes, the breach of which may imply penalties."

With Portuguese companies now facing severe fines and ancillary actions for breaching compliance obligations, along with a growing trend for potentially affected parties to use regulatory rulings or criminal prosecutions to build up cases against companies found guilty of breaches, compliance is increasingly being used as a strategic tool for doing business, according to Ribeiro Branco.

"Therefore, the way companies approach compliance matters – as perceived by employees, competitors, stakeholders and third parties – may be decisive when it comes to winning or losing business," she says. Ribeiro Branco adds that while the potential risks still depend on the business sector, the specific activity of the company and the jurisdiction, lawyers have an increasingly important role to play in designing tailor-made tools "adapted to those particularities".