

# IN-HOUSE LAWYERS MUST PROMOTE ETHICAL CORPORATE BEHAVIOUR

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## **General counsel are responsible for raising awareness of business ethics among management and boards of directors**

In-house lawyers need to become “guardians of business ethics” and promote ethical corporate behaviour, in addition to ensuring compliance with the law, heard attendees at Iberian Lawyer’s recent Law2Biz event in Madrid.

Participants also heard that legal and compliance teams have moved beyond their traditional roles, and are now required to add value to the board and management of a company, as well as contributing to developing cutting-edge strategies and being involved in critical decision-making. However, managing underlying legal and regulatory risks while pushing for business efficiency – in addition to managing day-to-day issues – is a major challenge for in-house lawyers and compliance officers, the event heard. Attendees highlighted problems including a lack of resources as well as resistance to implementing good governance and compliance. Participants said companies should have a duty to “do the right thing while following a code of conduct beyond the law”.

New regulations could be implemented to compel companies to put into practice solid compliance policies, regardless of company size and budget, it was suggested. In addition, legal education with an emphasis on business ethics and greater awareness of social concerns and pressures will also raise the level of compliance, attendees heard. Meanwhile, it was stressed that, with regard to risk management, the role of legal and compliance teams is to “keep ahead” of the issue and educate boards and management about correct procedures to follow.

The event heard that globalisation brings both benefits and challenges for in-house lawyers and compliance officers, particularly when it comes to cross-border transactions and disputes. Lawyers

need to adapt to cross-border deals and develop the capacity to deal with management, boards and workforces spanning the globe, participants said. Key to success is clear and transparent contracts and policies. Meanwhile, creating a corporate culture that incorporates business ethics – while benefitting from diversity in people and language – is beneficial when going global, attendees were told.

In the drive to become more efficient, technology is crucial. In-house lawyers, as well as those in private practice, are using technology more than ever before to outsource lower-level work, streamline workflows and develop alternative legal structures and staffing models.

The ongoing pressure to offer “more for less” is driving legal teams to become even more profitable and technology remains the key factor to achieve efficiency, participants concluded. While technology brings risks, compliance and legal teams can foster a company culture which prevents cyber security wrongdoing and data breaches, attendees heard.

**Event:** *Iberian Lawyer Law2Biz:*  
Competitive edge – Legal and  
compliance as key drivers of  
competitive advantage

**Location:** Madrid

**In collaboration with:** ABBC, Araoz  
& Rueda, Deloitte Legal, DLA Piper,  
Hunton & Williams, iManage, Lexsoft,  
Samsung, Vieira de Almeida