

WHEN INTERNATIONAL GROWTH CLASHES WITH COMPLIANCE: THE LEGAL RISK OF CORRUPTION HAS NO BOUNDARIES

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Participants at an Iberian Lawyer In-House Club Breakfast Roundtable, in collaboration with Osborne Clarke, discussed how businesses have been developing internal regulations to catch up with the new rules of the Criminal Code and avoid risks that could be directly devastating to a company.

Participants at the Roundtable included Heads of Legal and General Counsel from leading companies based in Spain who shared their experiences of the current challenges of managing compliance issues internally and across jurisdictions.

Estíbaliz Gállego, Head of Legal and Secretary General of Nutreco España , co-moderated the session and summarised the importance of compliance for businesses. "It is a constant challenge especially when considering the uncertainty of the ongoing Governmental changes to regulation".

As companies internationalise more and more, they pointed to the fact that international anti-corruption legislation has developed more stringent rules in some countries, such as the UK and the US, than others. And participants said that they are seeing Iberian companies with interests in the US or UK being enforced against and punished by jurisdictional authorities under the UK Bribery Act and the US Foreign Corrupt Practices Act (FCPA) – which requires companies to comply with strict anti-corruption laws beyond their operational territories.

Silvia Steiner, co-moderator of the Roundtable and a Partner at Osborne Clarke, emphasised the

importance of knowing the boundaries and at which point controls need to be put in place. "The repercussions of not getting it right with compliance are very serious."

Considering that different sectors are under different levels of pressure when fulfilling all compliance obligations, the main conclusions of the Roundtable concentrated on the following areas.

There is no doubt that in-house lawyers from leading companies in Spain are acutely aware of the importance of developing compliance programmes, but the challenge is when the theory needs to be implemented and controlled. The debate centred on who and how to coordinate it, and the trends include creating a multidisciplinary committee including internal auditors as well as lawyers, among others.



[Click here to see the photos of the event](#)

In order to apply the policies, lawyers said that they need to partner closely with the Board of Directors – they need to be willing to make a real corporate change and they need to give example. The change has to come from inside, but corporate culture and the capacity to reach everyone is still a big challenge.

However, when doing business abroad, companies often face the unexpected, and strict compliance sometimes means having to stop operations altogether. Building trust internally and having a clear understanding of the business is crucial as the level of risk increases. Many considered that having guidelines on what to do when someone senior breaches internal rules would build a stronger and more ethical corporate culture without stopping international growth.

The question is whether the lawyer is the guardian of the ethics of a company. Participants mostly concluded that it was everyone's responsibility to maintain an ethical standard within an organisation, but that the lawyer's role is to guide on strategic compliance issues without hindering growth where possible.