

IMPACTS TO COMPANIES DUE TO ANTICORRUPTION LAW

In 2016 the most important anticorruption public policy was undertaken in Mexico: The National Anticorruption System (SNA for its acronym in Spanish)

The SNA comprises constitutional amendments, creation of new laws, modification of some of the existing ones, as well as the emergence of specialized prosecutors and judges to follow the matter.

The legal amendments operate in the federal, state and municipal scope, providing new capacities to the authorities and changing the rules on how to relate with private individuals. The federal laws enter in effect as of July 2017 and it is expected the operation of said amendments at state and municipality levels during the first trimester of 2018.

The National Anticorruption System is causing a high impact in the private sector due to the obligations that it imposes with respect to its internal operation, specifically over: (i) Compliance and Anti-bribery internal policies and regulations; (ii) the way in which they should conduct themselves when dealing with government entities (Anticorruption); and (iii) the establishment of new behaviors that can be penalized in the administrative and criminal fields.

The penalties established in the various laws of the SNA may impose fines of up to 35 million pesos; payment of compensations to the government; prohibition to make businesses with the government in its three levels (federal, state and municipality); suspension of the business activity development of the company for up to 3 years; legal dissolution of the company; prison for up to 14 years for public officers, businessmen, employees, managers and persons that grant their services to all types of persons.

For the compliance of the new obligations established in anticorruption matters we strongly advise our clients to apply the appropriate measures consisting in the development of an anticorruption program that includes at least: Policies; manuals; systems and mechanisms of prevention and report as well as the corresponding training in all of the levels of the organization.

For the purpose of protecting the reputation, patrimony and integrity of our clients, the managers and employees, the areas of Compliance and Government of our Firm propose the realization of the diagnosis and consequently a plan to develop your anticorruption program according to the specific needs of your organization, in order to procure the fulfillment of the obligations of the new regulation.

Our team of professionals has the experience and expertise in the public service, compliance, accountability, transparency, ethics, open government, and anticorruption, as well as national and international good practices on the matter.

We encourage you to contact us to further explain how these new regulations impact your company.

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