



Opinion Article
Compliance Program:
Should I implement it in my company?
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Article

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1. What is a Compliance Program?

A Compliance Program is a tool used by organizations or commercial entities to prevent and detect possible prohibited conduct that could generate civil, administrative, or criminal liability for the organization or its representatives.

The content and level of control that is implemented in a Compliance Program will depend on the characteristics or nature of the entity. In turn, the sector in which the entity operates must be evaluated to strengthen control measures due to additional law provisions to which the entity or organization is subject.

2. What are the benefits of implementing a program?

There are several benefits of implementing a Compliance Program, among these:

- Reduce the risk and prevent the commission of improper practices that may lead to criminal liability of the entity or its representatives.
- Implementation of guidelines and internal regulations so that the operations of the entity are carried out in accordance with current legislation and the values and principles of the entity.
- Early detection of the commission of any improper practice and implementation of measures for its treatment.
- Anticipate an internal disciplinary procedure in the event of non-compliance with internal and external regulations.
- Keep the employees of the organization informed and trained on the guidelines of the Compliance Program and on how to act in certain circumstances.
- Attenuate or reduce any sanction that may apply to the organization, if the regulations so allow.

Currently, regulations in Bolivia do not generally require companies or entities to have a Compliance Program. However, there are entities in Bolivia such as financial intermediation entities that, due to their nature, are obliged to implement a risk management plan in terms of legitimization of illicit gains, terrorism financing, and previous offenses. Any measure implemented by a company that seeks to reduce risks in the commission of prohibited conduct is part of a Compliance Program.

Additionally, by Law No. 1390 of Strengthening for the Fight against Corruption promulgated in 2021, the possibility of an organization or commercial entity being criminally responsible for the commission of corruption crimes was established. This law contemplates the implementation of prevention mechanisms as a type of restorative sanction so that the entity does not incur criminal offenses again.

In the same way, Law No. 1390 incorporates the figure of "Effective Collaborator" whose purpose is to exempt from responsibility the accused person who provides essential information that, among other things, helps to clarify the fact investigated or provides useful information to prove the participation of others.

Therefore, it would be a mistake to underestimate the importance of a Compliance Program given the new regulatory provisions approved in the country. The implementation of a Compliance Program would not be necessary only to comply with a remedial sanction, but its correct implementation would also allow any prohibited practice to be identified early, to take the corresponding actions.

Bolivian legislation has already taken a great step by incorporating criminal liability for legal persons. Therefore, companies already have a great incentive to implement a Compliance Program, which can be "tailored" to the needs of each one.

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they work assertively to provide exceptional service, sophisticated advice, and creative, practical solutions.

PPO is the law firm with the largest geographical coverage in Bolivia, with its own offices in five cities: La Paz, Cochabamba, Santa Cruz, Sucre and Cobija.

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