

ANALYSIS

**COMPLIANCE IN BOLIVIA:
WHAT TO EXPECT IN 2025?**

MARCH 2025



Compliance in Bolivia: What to expect in 2025?

This report summarizes key developments in 2024 and what to expect in 2025 regarding compliance matters relevant for in-house lawyers and compliance professionals. The report includes links to the primary sources of the documents and information provided.

1. Regulatory updates

1.1. New Instructions from the Financial Investigations Unit for the commercialization of precious metals and stones.

On 28 June 2024, the Financial Investigations Unit (“UIF”) approved Administrative Resolution No. UIF/29/2024 (“RA 29/2024”) through which it takes the following actions, among others:

- (1) designates local and foreign persons trading precious metals and stones as Obligated Subjects;
- (2) approves the regulation applicable to persons that commercialize precious metals and stones (the “Instructive”); and
- (3) establishes the National Service for the Registration and Control of the Commercialization of Minerals and Metals – SERANECOM as the supervisor of the new Obligated Subjects.

• Obligations

The inclusion of dealers of precious metals and stones as regulated entities implies that they must, among other obligations:

- (a) Register with the UIF as an Obligated Subject.
- (b) Designate a Responsible Officer in charge of ensuring compliance with the Instructive.
- (c) Implement an Internal Manual containing different policies and procedures for anti-money laundering, financing of terrorism and proliferation of weapons of mass destruction (AML/FT and FPADM) risk management.
- (d) Report suspicious transactions to the UIF.
- (e) Conduct internal training on current regulations and other related topics.
- (f) Submit an internal audit report to the UIF every two years.

• Sanctions

RA 29/2024 also states that non-compliance will be sanctioned in accordance with current regulations. However, there is not a specific sanctioning regime for this sector yet, which should be established by SENARECOM as the designated supervisor of the sector.

If you wish to know more about the Instructive, please click on the following [link](#).

1.2. New Instructive of the Financial Investigations Unit for Virtual Asset Providers.

On 4 December 2024 the UIF approved Administrative Resolution No. 58/2024 (“RA 58”), designating as Obligated Subjects persons that execute personally or on behalf of others, certain activities or operations as Virtual Asset Service Providers (“PSAVs”) (described below).

RA 58 was suspended because the UIF issued a new Administrative Resolution No. 60/2024 dated 19 December 2024, suspending the determinations and effects of RA 58, with the purpose of clarifying consultations received regarding it. Therefore, the effects and obligations of RA 58 are currently suspended.

The activities or operations carried out by the PSAVs are the following:

- a) Exchange between Virtual Assets and FIAT Currencies.
- b) Exchange between one or more forms of Virtual Assets.
- c) Transfer of Virtual Assets.
- d) Custody and/or Administration of Virtual Assets or Instruments that allow control over Virtual Assets.
- e) Participation and Provision of Financial Services related to the offering of an issuer and/or sale of a Virtual Asset.

- Obligations

RA 58 establishes the following obligations for Obligated Subjects:

- a) Register with the UIF.
- b) Update their registration, in case they have already registered and have started activities or operations as PSAV.

Once the effects of RA 58 are reestablished, the next step the UIF is expected to take is the issuance of a specific instructive for PSAVs, which will detail the obligations they must comply with as obligated subjects, such as:

- a) Designate a Responsible Officer;
- b) Prepare Internal Audit Reports;
- c) Develop an Internal Manual; and
- d) Report suspicious transactions.

- Supervisor and Sanctions

RA 58 does not establish which authority will occupy the role of supervisor of the PSAV. However, it is expected that eventually the UIF will determine who will be the supervisor in charge of overseeing compliance with the regulations applicable to PSAVs and who will establish sanctions in case of non-compliance.

If you want to know more about RA 58 and its suspension, both are available at the following [link](#).

1.3 Bill of Law against Judicial Corruption PL No. 14-24

In May 2024, Bill No. 014-2024 (“PL 14-24”) was sent to the Senate. PL 14-24 seeks to define and sanction acts considered as judicial corruption. Among the relevant provisions of PL 14-24 are:

- a) **Definition of judicial corruption:** It is defined as “any act, decision, judicial or other resolution that affects, modifies, suppresses or annuls the powers, attributions and functions of the Legislative Branch that are established in the CPE and the Law”.
In that sense, PL 14-24 considers the following as crimes of judicial corruption: “resolutions contrary to the Constitution and the laws”, “illegal appointments”, “impeding or hindering the exercise of functions”, “anticipation or prolongation of functions” and “judicial resolutions against the law” (prevaricato).
- b) **Nullity of acts of corruption:** Acts, decisions and resolutions issued by constitutional tribunals or other courts of constitutional guarantees that affect the powers, attributions or functions of the legislative body shall be null and void with retroactive effect.
- c) **Obligation to report:** Any member of the Plurinational Legislative Assembly (ALP) who, in the exercise of his or her functions, becomes aware of acts of judicial corruption is obliged to report them to the Public Prosecutor's Office, which shall initiate the investigation ex officio.
- d) **Obligation to become a plaintiff:** The president of the ALP must become a plaintiff in cases for judicial corruption crimes promote the corresponding legal actions.

Treatment:

PL 14-24 was introduced in the 2023-2024 legislature which ended in October 2024. While this means that the PL must be reintroduced in the current 2024-2025 legislature, it provides an overview of upcoming anti-corruption matters that could be addressed.

If you would like to learn more about PL 14-24, it is available at the following [link](#).

2. Relevant events 2024

2.1. International Anti-Corruption Day 2024.

On 12 December 2024, PPO Abogados (“PPO”) organized the first PPO Compliance Forum, as part of the commemoration of the International Anti-Corruption Day, celebrated on 9 December.

The event brought together renowned compliance experts and high-level representatives from the public sector, fostering an enriching dialogue on strategies to mitigate corruption risks in both the public and private spheres.

Lindsay Sykes, Managing Partner and Compliance Practice Leader of PPO, and Susana Ríos, Vice Minister of Institutional Transparency and Fight against Corruption, were accompanied by a panel of specialists from the private sector. Among them were Bernardo Eid, Legal Advisor of Itacamba; Inés Lara, Legal Manager of Nestlé Bolivia; and Paola Justiniano, Legal and Compliance Manager of Praxair Bolivia. The forum emphasized compliance and anti-corruption initiatives, seeking to identify areas of collaboration between the private and public sectors.

During the event, participants shared experiences and best practices in implementing effective compliance programs. The event also provided attendees with the opportunity to exchange perspectives and build relationships that will drive future cooperation.

2.2. Commitment to Business Integrity

The Vice Ministry of Institutional Transparency and the Fight against Corruption called on various private sector companies to participate in a strategic public-private alliance to coordinate, strengthen, design and jointly implement mechanisms for prevention, training in transparency and integrity to be applied in private companies.

The signing of the Commitment to Business Integrity took place at PPO's offices on 6 March 2025. Among the companies that signed the commitment were Banco FIE, CBN, Nestlé, Tigo, Nuevatel, Sofía and Empacar.

During the signing event, the Vice Minister of Institutional Transparency and Fight against Corruption, Susana Ríos, informed that a ministerial resolution was recently approved, aiming to establish guidelines for private companies to become part of an Integrity List reflecting companies with certain compliance components. According to the Vice Minister, the implementation of the guidelines will not be mandatory, and the Integrity List will serve an incentive for companies that have compliance components to be recognized by the Ministry of Justice and Institutional Transparency. (Information on the signing of the commitment is available at this [link](#)).

3. Relevant corruption cases

- **Case of the President of the Lower Chamber of the National Senate**

In May 2024 it was made public that the UIF requested the Public Ministry to initiate proceedings against the president of the Chamber of Deputies for the crime of money laundering, based on an intelligence report made by the UIF during 2023.

According to the information included in the complaint, the president and his wife allegedly received 193 deposits for a total of Bs. 1.5 million in a joint account without identifying the source of funds.

At the same time, the president has been subject to other accusations for crimes of improper use of state assets and bribery. These proceedings are currently under investigation.

- **Water treatment plant case**

In May 2024, legislators of the political party Movimiento al Socialismo (MAS) denounced irregularities in the contracting process carried out by Yacimientos de Litio Bolivianos (YLB) for the construction of a water treatment plant and pumping facilities in the lithium complex. The contract was awarded to Industria Metalúrgica Carlos Caballero S.A. (Caballero).

The irregularities pointed out by the legislators include problems in the contracting process, irregular signature of documents, undue interference and restrictions for foreign companies.

The alleged irregularities reported were: **(1) Observations in the contracting process**, where the person in charge of the process at YLB who detected anomalies and refused to sign the selection of Caballero, was removed from her position shortly thereafter; **(2) Irregular signature**, since, despite the refusal of the person in charge of the process, the president of YLB signed the report of the Qualification Commission; **(3) Improper approach**, it is alleged that there was an improper approach from YLB's Engineering Manager, who offered his support to the Brazilian company SEI C-CAL to win YLB's bid, and; **(4) Restrictions to international companies**, the Chinese company Zigong Jindhang Pump & Valve Technology Co. Ltd. pointed out that the requirements of the process favored national companies and hindered the participation of foreign companies.

Due to the alleged irregularities, a criminal proceeding was initiated against the executive president of YLB and the former president of YLB for the crimes of (i) undue use of influence, (ii) resolutions contrary to the Constitution and laws, and (iii) breach of duties, with an alleged economic damage estimated at USD 600 million. The process is in the investigation stage.

- **Irregularities in the construction of 18 industrial pools of the lithium plant.**

In April 2024, the president of YLB denounced irregularities in the construction of 18 pools at the lithium plant in Uyuni, Potosí. The alleged economic damage is USD 64 million.

Due to the magnitude of the economic damage, this complaint is being pursued by the Attorney General's Office.

According to the complaint, an internal audit report of YLB identified the responsibility of (i) former officials and (ii) a company awarded irregular contracts in the construction, waterproofing and commissioning of industrial pools between 2013 and 2017.

According to the investigation, there are three elements to be investigated: (i) the execution of the technical specifications for the construction of the pools; (ii) the lack of supervision and oversight of the contract; and (iii) finally the lack of maintenance of 18 pools.

The complaint was filed against former YLB officials for the crimes of (a) contracts detrimental to the State, (b) breach of duties and (c) anti-economic conduct. Among those allegedly implicated is the former National Manager of Evaporative Resources, as well as former directors and supervisors. The complaint also concerns one of the contractor companies and its legal representative, who is being investigated for the crime of complicity in relation to the crime of contracts detrimental to the State.

Of the 12 people denounced, three were arrested and the former Minister of Mining is under house arrest. On 9 August 2024, one of the implicated officials received the first conviction in the case for the crime of breach of duties and was sentenced to three years in prison.

4. Perspectives for 2025

- **Strengthening compliance in the private sector.**

As mentioned above, an alliance between private sector companies and the Vice Ministry of Transparency and Fight against Corruption is foreseen to commit to work together and share best compliance practices.

In this sense, it is expected that as a result of this public-private alliance, workshops, roundtables and training sessions will be held to educate other companies on the implementation of compliance and the benefits within their organizations.

At the same time, the implementation of regulations for the recognition of companies that include compliance components is expected. Although compliance with the regulation will not be mandatory, the Ministry of Justice and Transparency will grant these recognitions that will help to give visibility to those companies that have compliance programs, which provides an opportunity for the private sector and will be relevant to strengthen business confidence and reputation.

- **Approval of pending regulations**

It is expected that the following regulations will be approved:

- Establishment of a sanctioning regime for the sectors of commercialization of precious metals and stones for non-compliance with their obligations as Obligated Subjects.

- Issuance of specific Instructions for Virtual Asset Service Providers (PSAV) as Obligated Subjects, providing for their obligations and compliance deadlines, as well as designating the supervisor in charge of this sector and specifying sanctions in case of non-compliance.

Sobre PPO

PPO es la firma de abogados más grande de Bolivia con prácticas líderes en todos los ámbitos. Los clientes saben que pueden confiar en PPO para sus asuntos legales y empresariales más desafiantes. Los 60 abogados de PPO y más de 130 profesionales trabajan asertivamente para brindar un servicio excepcional, asesoramiento sofisticado y soluciones creativas y prácticas.

PPO es la firma de abogados con la mayor cobertura geográfica de Bolivia, con oficinas propias en cinco ciudades: La Paz, Cochabamba, Santa Cruz, Sucre y Cobija.

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