

COMPLIANCE

FIGHTING CORRUPTION

Many clients operating in Latin America find it hard to get experienced anti-corruption lawyers in every jurisdiction in the region, but a group of law firms have joined forces in an effort to provide a solution

Corruption knows no boundaries. As a result, efforts to tackle corruption increasingly have to be multi-jurisdictional in nature. But adopting such a strategy can pose a problem for Latin American firms as they may not have the necessary connections or relationships they need in other jurisdictions. But law firms in the region are taking steps aimed at addressing this issue.

Towards the end of last year, 17 law firms with expertise in compliance and investigation in Latin America launched an initiative aimed at sharing best practice. Led by Brazilian law firm Tozzini & Freire, the Latin America Compliance and Investigation League (LACIL) also offers clients advice on multijurisdictional cases.

With Latin American law firm's compliance and investigation practices developing at a rapid pace, it seemed an opportune time for the launch of LACIL. "The league was established in the context of the increasing development of compliance and investigations practices in Brazil and Latin America," according to **Antenor Madruga**, a partner at Feldens Madruga, one of the 17 firms that are members of the

league. He continues: "Our intention with LACIL is to better serve our clients, especially when they need to hire services abroad, and in this way we can use the strategic partnership to refer to lawyers and firms in other countries, guaranteeing quality and expertise in the services provided."

The message LACIL is aiming to get across to clients is that all its member firms in each jurisdiction are able to offer a high level of services. "The idea is to signal to potential clients that these firms have the capacity to deliver quality services in the themes the league is devoted to," says Madruga.

So what is meant by 'investigation' in the context of the initiative? According to Madruga, this refers to research conducted as part of anti-corruption

\$2 trillion

Estimated amount paid out in bribes globally each year (in Latin America and the Caribbean, it is estimated that one in three people pays a bribe to access a service each year)

compliance programmes that help clients to design preventive and remediation measures – in addition to helping them decide how best to develop defence strategies in specific cases

There should be plenty of potential work for LACIL. Madruga says compliance and investigation work is on the increase in Latin America. "In the case of Brazil, for instance, the implementation of new regulations and the increased activities of police and regulatory authorities in the investigation and oversight of the activities of private companies, especially in their relations with government entities, have led to an increased need for investigation work in the private sector, along with an overall increase in compliance-related work," he explains. Madruga adds that, in a number of Latin American countries, the concept of compliance, and especially the idea of privately conducted internal investigations, is fairly new and at times unregulated.

Jorge Boldt, a partner at Cariola Diez Pérez-Cotapos in Chile, another LACIL member firm, says there has been a significant increase in the number of compliance and anti-corruption cases in Latin America in recent years. "New regulations, more sophisticated protocols, and especially cases with political connotations, has obliged companies and lawyers to focus more on such matters," he says, adding that that are issues that many Latin American countries have in common. "LACIL aims to open a forum for discussion on compliance and investigation, and establish a channel for sharing knowledge, information and best practices."

Boldt explains that the the introduction of a new anti-corruption law in Chile last November, which toughened penalties for such crimes, creates many problems for companies operating in the country that are striving to ensure they are acting in accordance with the high standards of compliance the new law demands. "Our aim is to accompany our clients in this process and help them adapt," he says.

It is essential that law firms collaborate with firms in other jurisdictions when tackling this issue. The majority of compliance investigations carried out by Latin American law firms are cross-border and often involve several jurisdictions, says Pedro Serrano Espelta, compliance and anti-corruption partner at Marval, O'Farrell & Mairal in Buenos Aires. "Many compliance and anti-corruption cases

THE LATIN AMERICA COMPLIANCE AND INVESTIGATION LEAGUE (LACIL): THE 17 LAW FIRM MEMBERS

ARGENTINA	
Allende & Brea	
Beccar Varela	
Marval, O'Farrell & Mairal	
BOLIVIA/URUGUAY ECUADOR/PARAGUAY	
Ferrere	
BRAZIL	
FeldensMadruga	
Maeda, Ayres & Sarubbi	
TozziniFreire Advogados	
CHILE	
Carey	
Cariola Diez Pérez-Cotapos	
COLOMBIA	
Posse Herrera Ruiz	
MEXICO	
Creel, García-Cuellar, Aiza y Enriquez	
Galicia Abogados	
Sánchez Devanny	
PARAGUAY	
Gross Brown	
PERU	
Rodrigo, Elías & Medrano Abogados	
URUGUAY	
Guyer & Regules	
VENEZUELA	
D'Empaire Reyna Abogados	

are international and companies cannot always find counsel of the highest level with experience in compliance and anti-corruption, and LACIL therefore allows law firms to exchange ideas and experiences across the region." ■