



FORENSIC SERVICES |
FOCUS ON ANTI-BRIBERY AND
CORRUPTION IN SOUTH AMERICA

New Argentine Law on Corporate Criminal Liability No. 27401

Aligning your company with the new rules

Recently, scandals involving fraud, bribery and corruption in both the private and public sectors have been on the agenda of society.

In South America, recent hefty fines imposed on multinational companies evidence the increasingly stricter application of anti-corruption laws by regulators.

With the aim of aligning the Argentine system with international standards, as required by OECD, on November 8, 2017, the Congress passed the Law on Corporate Criminal Liability for crimes against the public administration and transnational bribery, effective from March 1, 2018.

This law is intended to raise awareness among companies to prevent corruption acts by strengthening organizational culture, controls and anti-fraud policies as well as their processes and systems, among others.

Furthermore, the company will be exempt from penalties and administrative liability if all the following conditions are met:

- If the company has voluntarily reported a crime specified in this law as a result of a detection or internal investigation process conducted on its own.
- If it has implemented an adequate control and supervision system ("Integrity Plan") before the occurrence of the events under investigation.
- If the improper benefit obtained from such crime has been returned.



Components of the Integrity Plan described in the new Argentine law:

Code of Ethics or Code of Conduct

Communication and training

Clear support of the Board and top management

Periodic risks assessment

Internal channels to report irregularities including the protection of individuals submitting the report against retaliation

Investigation protocols

Procedures to test the integrity and reputation of third parties, business partners and entities undergoing corporate transformation and acquisition processes

Specific procedures for contract performance or any other interaction with the public sector

Ongoing monitoring and evaluation of the effectiveness of the Integrity Plan

Individual responsible for the Integrity Plan

An effective approach to align your company to the new requirements covers the following four phases:

1. Diagnosis of the company's needs based on the risks and adequacy of existing controls intended to mitigate such risks, considering, among others, the company's business, level of interaction with the public sector, size and economic capacity.
2. Design of the components of the Integrity Plan and best market practices in order to prevent, detect, correct, and report the criminal offenses falling within the scope of the Law on Corporate Criminal Liability to the relevant authorities.
3. Implementation of new controls across the company, assigning responsibilities and resources to an in-house responsible individual in charge of the development, coordination and supervision of the Integrity Plan.
4. Evaluation of the design and operating effectiveness of controls through control self-assessment, substantive testing, routine monitoring, and separate evaluations.

KPMG professionals can help you meet your needs across all the stages of the business lifecycle, while offering practical solutions to design and implement an effective Integrity Plan, regardless of your size or industry. Also, we can provide a wide range of fraud and misconduct investigation services.

We have a 20-year proven track record in the market and over 40 dedicated professionals, including accountants, lawyers, engineers, information technology and criminalistics professionals, and certified fraud examiners, among others.

We also have a Forensic Technology Lab that has cutting edge technology and specialized resources to enable the recovery and management of digital evidence obtained from computers, servers and backups, as well as the analysis of large volumes of complex data that may be stored in multiple databases and may provide indications of irregularities.

KPMG's Forensic in Argentina is considered the Center of Excellence for South America. Therefore, we usually provide Forensic Services together with other KPMG offices in the region and from other jurisdictions.

RELEVANT PREVENTION, DETECTION AND RESPONSE SERVICES

- Evaluation, adjustment and/or drafting of the company's **Code of Conduct**, according to the best market practices for the industry.
- Development of **training and communication** programs on prevention, detection and response to the crimes falling within the scope of the law.
- **Assessment of fraud and corruption risks** in the company's business processes, **identification of gaps or weaknesses** in controls (manual and automatic) and improvement opportunities.
- **Design of functions** and duties of responsible individuals in charge of the development, coordination and supervision of the Integrity Plan, and interaction with the other areas of the company.
- **Advice on the design of protocols** for the receipt and investigation of reports, corrective actions, provision of information to third parties, and cooperation with the clarification of the crime.
- **Investigation of suspected corruption**, ensuring a methodology accepted by regulators.
- **Communication channels** available to all individuals specified by the client (employees, clients, contractors, suppliers, and any other third parties) for the purposes of submitting reports on irregularities.
- **Procedures to test the integrity and reputation of third parties**, using a global corporate intelligence network with access to specific data bases of each jurisdiction.
- Evaluation, adjustment and/or drafting of specific procedures for **administrative contract performance** or any other interaction with the public sector.

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