



COMPLIANCE AND INTERNATIONAL CONTRACTS

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What is *Compliance?*

Observe rules, standards, ethical and legal procedures that, once defined, will guide the institution's behavior in the market in which it operates, as well as the attitudes of its employees

Level of perception of corruption in the public sector in 180 countries around the world in 2017:

South Africa - 71st place

China - 77th position

India - 81st position

Brazil - 96th position

Russia - 135th place

Fonte: *Transparency International*

Has Corruption
occurred today?



"Since the colony we have a state that is born by concession, in which the public institution is used for its own benefit. Corruption persists in Brazil due to this structure of colonization"- Denise Moura.



The Romance of 1911, by Lima Barreto, depicted corruption

✓ Domestic Law x Globalization

The Origin of Corporate Responsibility

Lockheed Martin, one of the largest American aircraft manufacturing companies, was a generous tip distributor between 1950 and 1970 to facilitate the sale of its civilian and military aircraft in countries such as Germany, Italy, Japan and Saudi Arabia - approximately 300 millions of dollars in tips

American Reaction: FCPA

“Business ethics seem to dictate the norms on which companies should conduct their affairs. It is truly sad to note that the excuse presented by most corporations is that other nations engage in bribery. The conduct of commercial operations by foreign nations in a morally poor way is no excuse for American citizens engaging in such scandalous activities. [...] What is at stake here is, in a number of significant respects, the reputation of our country, **and I think we have an obligation to establish a standard of honesty and integrity in our business, not just at home, but also abroad, which will be a beacon for the light of integrity in the rest of the world.**” Stephen J. Solarz, American Congress, 1975

The United States and International Conventions



Loss of competitiveness of US companies abroad

Political pressure of the American government on the other countries

International convention of the OECD and the UN



International pressure to combat corruption in the world - International treaties (ratified in 2000); and UN International Convention (ratified in 2005)



Changes - how corruption is seen by society (2013)



Presidência da República
Casa Civil
Subchefia para Assuntos Jurídicos

[LEI Nº 12.846, DE 1º DE AGOSTO DE 2013.](#)

Dispõe sobre a responsabilização administrativa e civil de pessoas jurídicas pela prática de atos contra a administração pública, nacional ou estrangeira, e dá outras providências.

Ratification of the International Convention
- Law 12.846 / 2013 - Anti-Corruption Law;
and Decree nº 8420/2015

Anti-Corruption Law: What is it and to whom does it apply?



✓ It applies to all companies that attempt against public assets, against principles of public administration or against the international commitments assumed by Brazil

✓ This Law provides for the objective administrative and civil liability of legal persons for the practice of acts against the public administration, national or foreign.

- ✓ Severe penalties
- ✓ The existence of internal mechanisms and procedures for integrity, auditing and encouraging the reporting of irregularities and the effective application of codes of ethics and conduct within the legal entity



And what is the
relationship
between
Compliance and
International
Contracts?



- ✓ **BRICS objective:** to strengthen commercial and technological partnerships among the BRICS countries
- ✓ **Since 2009, China has been Brazil's main trading partner.** According to China Chamber of Commerce and Industry, China planned to invest more than US \$ 20 billion in the purchase of Brazilian assets in 2017; since 2015, 21 Brazilian companies have been bought
- ✓ Investments, privatizations, corporate operations and commercial partnerships = due diligence of contracts and contractual clauses
- ✓ In Brazil, there are already state laws making it mandatory to establish an integrity program in companies that contract with the Public Administration
- ✓ **Diferencial competitivo - 188 países já adeririam à Convenção ONU**

Thank you!

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