



**Asia-Pacific
Economic Cooperation**

2019/SOM1/ACT/CF/009

SMEs and Compliance Programs

Submitted by: Chile



**Anti-Corruption and Transparency Experts'
Working Group Cross Fora Meeting
Santiago, Chile
28 February 2019**

APEC Cross Fora Meeting

SME's and Compliance programs



Hernán Fernández Aracena
Deputy Director
Anticorruption Specialized Unit
Public Prosecutor Office
Chile

SME's

- Who are SME's:

- Micro: 10 employees

- Small: 50 employees

- Medium 250 employees

- Annual Turnover EUR \$40 million

- Chile: Annual Sales by US\$94.000 to 3,9 million app (2.400 to 100.000 UF)

- More 90% of all companies

SME's

- Contribute significantly to:
 - Total employment (Chile +75%)
 - Exports
 - Innovation
 - Economic Growth
 - Participate in Public Procurement

Liability of SME's

- SME's and risks:
 - Environmental
 - Bribery
 - Money laundering
 - Others
- Extension of liability of legal person
 - OECD Convention on combating bribery of foreign public officials in international business transactions
 - UNCAC Convention against corruption
 - Chile, Law 20.393

SME's and Compliance Programs

- Compliance programs have an impact to prevent corruption
- Compliance programs could be a defense for the company or mitigate its liability. SMEs are at a disadvantage compared to big companies
- SMEs have to take measures to prevent corruption
- Goal for the economies is how to encourage companies to adopt Compliance programs

Compliance Programs

- APEC General elements of effective voluntary corporate compliance programs:
 - Conduct a risk assessment
 - Code of conduct
 - Establish an organizational compliance structure (first at all, a compliance officer... with independence)
 - Training and continued guidance
 - Due diligence review, internal audits, third parties...
 - Reporting mechanism, hot lines, suggestion boxes...
 - ETC...
- High costs for SME's

Chilean situation

- Most of SMEs has not implemented compliance programs
- In context OECD Anti bribery Convention, Phase 4 Monitoring report (December 2018) recommends to Chile:
 - Encourage Chilean companies, **especially SMEs**, to adopt models that conform to guidance (also recommended).
 - Raise awareness of bribery to Chilean companies that are active in foreign markets, **including SMEs**.

Closing Remarks

- SME's are a very important economic actor
- SME's have a role in the fight against the corruption
- Compliance programs guide companies to conduct clean and transparent business
- Economies have to develop strategies or tools for companies, including SME's, to adopt Compliance Programs
- An issue to continue working between ACTWG and SMEWG?

**Anticorruption
Specialized
Unit**

Feb 28, 2019



Thank you very much