

REGULATION FOR THE SUPERVISION OF LEGAL ENTITIES UNDER THE ECONOMIC CRIMES LAW IS PUBLISHED

On July 1, 2024, the Ministry of Justice and Human Rights approved Regulation No. 97, which governs the supervision of legal entities within the framework of Law No. 21.595 on Economic Crimes. This regulation introduces a supervision system as a preventive and corrective measure to ensure the effective implementation of crime prevention systems, in accordance with Law No. 20,393, which establishes the criminal liability of legal entities.

The regulation, published in the Official Gazette on September 26, 2024, establishes the requirements for an individual to act as a supervisor of a legal entity, the procedure for its appointment and replacement, as well as the determination of their compensation. Supervision can be ordered by a court as a penalty, a precautionary measure, or as a condition for a conditional suspension of proceedings, with the aim of preventing the commission of new crimes within the supervised organization.

Among the most relevant aspects of the new regulation are:

- **Appointment of the supervisor:** The court appoints an individual as supervisor, ensuring they meet the criteria of competence, experience, and absence of conflicts of interest. The supervisor will have the authority to issue mandatory instructions and establish operational conditions for the legal entity, limited to the scope of crime prevention systems.
- **Scope of the supervision:** The supervision of the legal entity can last between six months and two years, depending on the case. The supervisor will be responsible for overseeing the implementation, improvement, or functioning of the crime prevention system, focusing on preventing new offenses.
- **Obligations of the legal entity:** The supervised organization must provide the supervisor with all necessary information, access to its facilities, and the opportunity to conduct interviews with employees and service providers. Failure to meet these obligations may result in sanctions, such as the prohibition of carrying out transactions or

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contracts involving the entity's assets.

•**Powers of the supervisor:** The supervisor has broad powers to obtain information and issue instructions related to improving the crime prevention system. In the case of repeated non-compliance by the legal entity, the court may order more severe measures, such as the replacement of the entity's management or the appointment of a provisional administrator.

•**Prohibitions and disqualifications to act as a supervisor:** The regulation establishes a series of restrictions on who can be appointed as a supervisor. For instance, individuals convicted of crimes, those with ties to the supervised entity, or those involved in structuring the crime prevention system within the entity are not eligible for the role.

•**Removal and resignation of the supervisor:** If the supervisor fails to fulfill their duties during the supervision process, or disqualifying factors arise, the court may hold a hearing to discuss their removal. Additionally, the supervisor may resign for justified reasons, leading to the appointment of a replacement.

•**Supervisor's compensation:** The supervisor's compensation will be determined by the court, based on market criteria, and must cover all expenses related to the performance of their duties. This compensation will be funded by the legal entity, considering factors such as the entity's size, complexity, and business sector.

•**Periodic reports:** The supervisor must periodically report to the court, detailing progress and compliance with their responsibilities. This information will be incorporated into the judicial file, although, in special cases, the confidentiality of certain data that could affect the entity's competitiveness or performance may be requested.

This regulation strengthens the regulatory framework for the criminal liability of legal entities and seeks to ensure the proper implementation of preventive measures within organizations, promoting transparency, regulatory compliance, and mitigation of legal risks.

For more information about the regulation and its implications, you can access the full text in the [Official Gazette](#).

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