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# Compliance Challenges in 2024: Business integrity goes beyond anti-corruption efforts

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Although 2023 marked the 10th anniversary of Brazil's Anti-Corruption Law, the focus on corruption in the context of compliance and integrity discussions has shifted in order to make room for other issues such as data protection, AI, and ESG, what increased Brazilian companies' liability, and are expected to be the most significant topics in the forthcoming years.

Corporate governance (the "G" in ESG) will now address not only internal matters but also the social, environmental, and ethical impacts of a company's business. The importance of this shift is highlighted by the Brazilian General Comptroller's Office's (CGU – *Controladoria Geral da União*) commitment to integrate ESG matters into its anti-corruption agenda for 2024.

The CGU has launched three innovative tools to fight corruption:

(i) an online calculator of fines for violations of the Anti-Corruption Law;

(ii) a portal for monitoring Compliance Programs in Leniency Agreements; and

(iii) the new "Pró-Ética" (Pro-Ethics seal) online portal, which facilitates access to information about the Pro-Ethics Company program, which encourages companies to adopt integrity measures.

Governance has become a critical pillar for publicly traded companies, which must deal with a dynamic scenario marked by a significant increase in control and accountability of these players. The demand for transparency, accountability, and ethical decision-making is driving a transformation in how businesses operate.

Shareholders, board members, managers, and other stakeholders in publicly traded companies are increasingly urged to play active roles in protecting investor interests and promoting sustainable practices. This evolution in corporate governance not only strengthens market confidence but also creates a more robust and accountable business environment, in favor of the sustainable success of publicly traded companies.

In this context, monitoring the supply chain is another aspect that is becoming increasingly important. Countries and economic blocks are establishing new regulations on supply chain management, which demonstrates that integrity and compliance within a single company's business is not enough: Organizations must now take responsibility for ethical conduct throughout their entire value chain.

This year will see the introduction of sustainability-related financial disclosure, following the international standard set by the International Sustainability Standards Board, as provided for in Resolution 193 of2023, issued by the CVM, Brazil's securities and exchange commission. At this stage, publicly traded companies must invest in their compliance programs, making them even more robust, as to ensure that all departments, such as finance and accounting, are integrated with their compliance department.

Another aspect that is worth highlighting is the increasing compliance-related demands on companies as a result of the growing usage of artificial intelligence in risk management. This technological advance has created a significant gap between companies that have adopted AI and those that have not.

The digital age has brought new challenges in terms of gathering evidence for use in legal proceedings. E-discovery processes, which involve identifying, collecting, and preserving electronic data as evidence, have become more important than ever. Companies need to invest in effective technologies and practices to cope with the complexity of these processes and ensure compliance with the law.

In sum, the business environment in 2024 will require organizations to be prepared to face a variety of compliance challenges. Adopting a proactive and comprehensive approach to these emerging issues is essential to ensuring sustainability and long-term success. Companies that successfully navigate the waves of change will emerge more resilient and better able to meet global expectations.

***>>> This article was written by Anna Carolina Malta Spilborghs, Katherine Cardoso de Souza and Mariana de Souza Carvalho.***

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