MORAIS LEITÃO
GALVÃO TELES, SOARES DA SILVA
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LEGAL ALERT

GENERAL REGIME FOR CORRUPTION PREVENTION

OBLIGED ENTITIES TO PREPARE ANNUAL EVALUATION REPORT ON THE IMPLEMENTATION OF THE PPR IN APRIL

In 2021, Decree-Law 109-E/2021, of 9 December, was published, which approved the General Regime for Corruption Prevention (RGPC), and which set forth that the entities covered[1] have the duty to implement new mechanisms to prevent risks of corruption and related offences, namely by adopting a regulatory compliance programme that includes a Plan to Prevent Risks of Corruption and Related Offences (PPR).

The implementation of the PPR is subject to **biannual monitoring in April and October**.
The entities covered by the RGPC should, therefore, by the end of this April, prepare and approve their annual PPR evaluation report, with reference to the previous year, covering all the risks listed therein. The report should include, among other information considered relevant, the identification of the preventive and corrective measures envisaged and, in particular, should contain a quantification of the degree of implementation of each of these measures, as well as a forecast regarding their full implementation (cf. Article 6(4)(b) of the RGPC).

It should be recalled that, also in compliance with the duty to monitor the PPR on a continuous basis, the "interim assessment report" should be drawn up in **October**, taking into account the

[1] Entities covered are legal persons with their registered office in Portugal which employ 50 or more workers and branches in Portugal of legal persons with their registered office abroad which employ 50 or more workers, as well as services and legal persons of the direct and indirect administration of the State, autonomous regions, local authorities and entities of the public business sector which employ 50 or more workers, and also independent administrative entities with duties to regulate the economic activity of the private, public and cooperative sectors (cf. Article 2 of the RGPC).

assessment of the situations identified as posing a high or maximum risk. Our previous Legal Alert of 24 October 2023 can be consulted specifically on this obligation.

Failure to draw up either the annual PPR assessment report or the interim assessment report, or to notify employees and, also, in the case of public bodies, failure to communicate them to certain bodies (cf. Article 20(3)(a), (b), (c) and (d) of the GDPR) are offences. These administrative offences are punishable, in the case of legal persons or equivalent entities, by fines of EUR 1,000 to EUR 25,000 and, in the case of natural persons, by fines of up to EUR 2,500. The sanctioning regime provided for in the RGPC entered into force on 7 June 2023, except for medium-sized private sector companies (companies with between 50 and 249 employees), for which it will take effect from 7 June 2024.

In addition to the PPR, obliged entities must adopt a code of conduct, a training programme and a reporting channel. The obligations set forth in the RGPC can be consulted in our previous Legal Alert of 13 April 2023 (only available in Portuguese).

Morais Leitão's Compliance team has been advising its clients on the implementation of the RGPC and, in general, on the fulfilment of legal obligations regarding corruption prevention. They are available for any clarification on the preparation of the annual assessment report by the entities covered, as well as for any other issue related to the regime in question.

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