

LATIN AMERICAN BOARD MEMBERS UNDER PRESSURE FROM REGULATORS

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With company boards under intense scrutiny from government authorities concerned about issues such as tax, businesses must do more to show they are compliant

Board members in Latin America are often under intense scrutiny from regulators and demonstrating good corporate governance is becoming increasingly important for companies, attendees at an event held by The Latin American Lawyer heard.

Panelist Daniel del Rio, senior partner at Mexican law firm Basham, said regulators often target board members when there are concerns about the way a business is run or with its financial arrangements. "Regulators and other authorities are always on the lookout for those on the board of a company, whether for compliance, tax or other reasons," he said.

Consequently, there is increasing pressure on companies to demonstrate good governance to clients. Pablo Iacobelli, partner at Chilean law firm Carey, said that it was becoming more important

for companies to show good corporate governance and that this was a growing trend. He added that, tax and regulatory considerations were often important factors that determined how companies were structured.

Attendees heard that it is critical for companies to have independent board members and directors with "different visions". Meanwhile, Luis Carlos Rodrigo Prado, managing partner of Rodrigo Elias & Medrano in Peru concluded that the need for good corporate governance and ethical codes of a high standard meant that more complex corporate structures are required.