

Competition Compliance Programs

Competition Compliance Programs (CCP) are self-regulatory mechanisms that seek to ensure that organizations or economic agents comply with preventing restrictive competition practices. In Panama, the term is known as Corporate Compliance Programs, and its adoption is voluntary. According to Law 45 of October 31, 2007, the Consumer Protection and Competition Defense Authority (ACODECO) has among its functions and powers the establishment of CCPs to prevent restrictive competition practices in the different markets and thus ensure a more efficient operation that guarantees the interests of consumers.

Through Resolution A-008-18 of January 18, 2018, ACODECO released some general guidelines that a CCP may contain. These are aimed at preventing, identifying, or reducing the adverse effects that anti-competitive behaviors can generate for both economic agents and society in general.

CCPs are comprised of policies, procedures, guidelines, and mechanisms an economic agent adopts to comply with current competition laws. In addition, it must meet some fundamental requirements, such as:

- A genuine commitment to comply with free competition rules;
- Identification of existing and potential risks faced by the economic agent;
- Establishment of internal mechanisms and procedures by the compliance commitment acquired; and
- Direct participation of Managers and/or Directors in the CCP.

Among the benefits of the CCP for the economic agent are the prevention of violations and damage detection and control. The prevention of violations and the costs they generate are the main benefit and objectives of CCPs since companies will avoid the costs of fines, corrective measures, and liability for damages.

Having the CCPs, allows employees to identify the



procedure they must follow to inform themselves and/or clarify their doubts regarding the possibility of the commission of a free competition offense.

The reputational improvement of the company is another benefit to highlight since it is evidence of the seriousness and responsibility of its performance in the market, especially when considering that contravention of the free competition rules affects consumers.