

Prepare and beware: new law to prevent financial and economic crimes

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Legislation extending existing measures to combat financial and economic crime entered into force on 1 January 2015. A corresponding procedure on attorney-client privilege will take effect on 1 March 2015. The new law increases the maximum sanctions for certain financial and economic crimes. Since a critical OECD report in 2013, there has been a greater focus on corruption, both nationally and internationally. This means that companies and their employees and managers are increasingly exposed to criminal prosecution. All the more reason for companies to limit those risks where possible and to establish proper compliance and internal controls to prevent staff from getting involved in corruption-related conduct.

The new legislation introduces the following changes:

- The maximum sanctions for the various types of money laundering are increased.
- The maximum term of imprisonment for economic offenders who systematically violate the law is increased to four years.
- Higher fines can be issued to enterprises that commit financial and economic offences. The courts can impose maximum fines of up to 10% of annual turnover instead of the current EUR 810,000
- Misuse of community funds is now a specific criminal offence.
- Corrupt government employees may receive maximum prison terms of six years if they accept favours on account of their position.

As of 1 March 2015, there will be a faster procedure for the seizure of confidential information that is subject to attorney-client privilege. Under the current rules, this type of information is sealed while the district court considers any objections by the attorney in question against the seizure of the information. Under the new rules, the examining judge is authorised to decide on the seizure and examination of the information. Objections and, eventually, a Supreme Court appeal can be lodged against the examining judge's decision, but is subject to specific time limits. This revised procedure has led to some criticism, such as claims that there are no clear criteria for examining judges to base their decisions on.
