

---

## REPORTS OF THE COURSE

---

### GROUP 1

#### ISSUES CONCERNING THE LEGAL FRAMEWORK ON CORPORATE CRIME, CORPORATE LIABILITY AND MISUSE OF CORPORATE VEHICLES

---

<i>Chairperson</i>	Mr. Mikio Matsuoka	(Japan)
<i>Co-Chairperson</i>	Mr. Alex M.C. Labador	(Philippines)
<i>Rapporteur</i>	Mr. Tsaone C. Mokone	(Botswana)
<i>Co-Rapporteur</i>	Ms. Bhorntip Sudti-autasilp	(Thailand)
<i>Members</i>	Mr. Agung P. Soenarto	(Indonesia)
	Mr. Hideaki Nakamoto	(Japan)
<i>Advisers</i>	Prof. Kayo Ishihara	(UNAFED)
	Prof. Tetsuya Sugano	(UNAFED)
	Prof. Koji Yamada	(UNAFED)

---

### I. INTRODUCTION

Group 1 started its discussion on 13 September 2007. The group elected, by consensus, Mr. Matsuoka (Japan) as its chairperson, Mr. Labador (Philippines) as its co-chairperson, Mr. Mokone (Botswana) as its rapporteur, and Ms Bhorntip (Thailand) as its co-rapporteur. The group, which is assigned to discuss “Issues concerning the Legal Framework on Corporate Crime, Corporate Liability and Misuse of Corporate Vehicles”, agreed to conduct its discussion in accordance with the following agenda:

- 1) Current situation of corporate crime in participating countries;
- 2) Nature and causes of corporate crime;
- 3) Liability of legal persons under international agreements/documents;
- 4) Legal framework of corporate criminal liability in participating countries;
- 5) Other types of liability legal persons are subject to in regard to corporate crime:
  - 5.1) Civil liability;
  - 5.2) Administrative liability;
- 6) Individual liability of natural persons;
- 7) Misuse of corporate vehicles:
  - 7.1) Current situation of corporate vehicles;
  - 7.2) Regulations on the misuse of corporate vehicles in international agreements, such as the FATF Forty Recommendations, and domestic laws.

### II. CURRENT SITUATION OF CORPORATE CRIME IN PARTICIPATING COUNTRIES

The group first reviewed the situation with regard to corporate crime in each participating country.

The following are the types of corporate crime committed in the participating countries: domestic and foreign corruption related to public tenders, finance or banking, or commerce and trade; intellectual property crime; cybercrime; anti-monopoly violations; tax evasions; the stock exchange and bid rigging.

#### A. The Philippines

The participant from the Philippines said that in his country it is provided by law to charge both the natural and the legal person, but the emphasis so far has been to charge the directors and managers of companies rather than the company itself, except for money laundering and tax evasion cases where the law enforcement authorities frequently go after the companies and individuals running them.

#### B. Thailand

In Thailand, there is no definition of the term “corporate crime”. There is no legislation dealing specifically with corporate crime; however corporate crimes are mostly related to economic crimes. Both the natural and legal persons can be the subject of a criminal offence.

### **C. Japan**

According to Japanese law, a company itself cannot commit a crime, but directors, managers and employees can. A double punishment does exist in Japan for certain offences, under which a legal person can be held criminally liable under conditions described later. Some of these offences are committed in the course of business by companies that in general terms are conducting legitimate activities, whereas some of them are committed by companies organized for the purpose of committing crimes.

### **D. Indonesia**

Development policy which prioritizes economic growth produces giant corporations and conglomerations dominating and monopolizing the Indonesian economy which is still full of corruption, collusion and nepotism, said the participant from Indonesia. The development of corporations tends to have an expansive negative impact in which, on legal grounds, an action committed by a corporation shall be a criminal act. Commonly, it's related with economic or financial interest and also to take financial advantage in which the action shall be an economic crime such as corruption, monopoly practice, tax evasion, etc. Both the natural and legal persons are held liable for corporate crimes, but legal persons have never been prosecuted for economic crimes.

### **E. Botswana**

The participant from Botswana said that the law provides for the punishment of both the natural and legal persons, but mostly the concentration has been on charging the directors and managers.

It was evident from the discussions that prosecution against legal persons is rare in many countries and this is attributable mainly to the following reasons: the law is insufficient in providing conditions to apply; there is a low level of awareness among the law enforcement authorities of the necessity of going after companies as such; there are difficulties in proving the conditions for attributing liability to legal persons; and there is fear of the possible economic impact on the public when the company as such is punished.

Although in many of the participating countries prosecution against corporations is rare, the group unanimously agreed that it is necessary to investigate and prosecute companies to tackle this problem.

## **III. NATURE AND CAUSES OF CORPORATE CRIMES**

The nature and causes of corporate crime were more or less similar in most of the participating countries and were summarized as follows:

- Related mostly to economic crime;
- Often complicated and difficult to detect;
- Provides no physical harm to the victims, hence a lack of visual or obvious evidence;
- Committed by high rank individuals or educated people in charge of the corporation;
- In many countries it is for the profit or benefit of both the individuals and the companies whereas in Japan, it is committed mostly for the profit or benefit of the companies, especially large companies;
- Some financial institutions in some countries are not sufficiently co-operating with law enforcement agencies in giving information;
- Increased computerization of financial documents creates electronic data (and evidence) which is easily destroyed or altered. Perpetrators are also using modern technology to commit crimes, making them difficult to detect;
- Corporate crime is related to organized and transnational crimes or is committed by organized criminals and is thus so difficult to investigate;
- Corporate crime is not fully investigated, and law enforcement agents lack capacity and capability;
- In one country, corruption of law enforcement agents facilitates the commission of the offence;
- In some countries, corporations are used as a vehicle for money laundering or for obtaining unlawful benefits;
- In some countries, legal systems are not fully functioning and regulations are not strictly adhered to;
- Corporate crime is sometimes committed to take advantage of loopholes in national legislation.

#### **IV. LIABILITY OF LEGAL PERSONS UNDER INTERNATIONAL AGREEMENTS/DOCUMENTS**

There is no international agreement directly relating to corporate crime as such, however there are various international agreements related to corporate crime. Some of these are the United Nations Convention against Corruption, the Council of Europe Criminal Law Convention on Corruption, the 40 Recommendations of the Financial Action Task Force (FATF), and the Council of Europe Convention on Cybercrime, just to mention a few. Article 26 of the UNCAC has the typical elements of an international agreement pertaining to the liability of legal persons. It was evident from the discussions that most countries have signed these international agreements, but what was lacking was the implementation of the “liability of legal persons” clauses.

The group agreed that as stipulated in these provisions, a country may take different approaches to implement these requirements but it should be effective enough to tackle corporate crime and be implemented in law and in practice.

#### **V. LEGAL FRAMEWORK OF CORPORATE CRIMINAL LIABILITY IN PARTICIPATING COUNTRIES**

##### **A. Thailand**

In Thailand, a corporation can be defined in law as a legal person. Once it is created, it is separated from its shareholders and can enjoy the same rights and is subject to the same duties as a natural person. The will of a legal person is declared through its representatives.

As for criminal liability of a legal person, there is still controversy in Thailand as to whether a legal person can be the subject of a criminal offence and be held liable. There are two opinions on this matter. But before discussing this issue it is important to explain the different types of criminal legislation in Thailand. The first is where the provision in the legislation clearly states that a legal person is the subject of a crime and can be criminally charged, such as the Anti-Money Laundering Act 1999, Section 61. The second is when the legislation specifies that the subject of the offence is a person of certain status or position. For example, under the Mining Act B.E. 2461(A.D. 1918), the Act imposes criminal liability for a mining concessionaire who violates the provision of such Act. In this case, the subject of the offence is the mining concessionaire. The third is where the legislation does not state clearly who is the subject of the offence. This is the case of the Penal Code, which is the major criminal law in Thailand, and other laws which contain criminal provisions. The term used in the third type of laws is “anybody” without further definition of such term. This is the category which is obscured and controversial. It is argued whether or not such term includes legal persons.

There are two opinions on this matter. The first is that of legal academics who base their opinion on the grounds that a legal person is merely a fictitious person and does not have a mind of its own to commit an offence. It thus lacks malice. In addition, a legal person can be punished only when the law says so. If there is no specific law, the legal person cannot be punished. This is according to the legal principle “no law, no punishment”. Therefore, a legal person cannot be a subject of such criminal offences and cannot be punished.

The second opinion is that of the Supreme Court. The Supreme Court has been continuously deciding that a legal person can be held liable since a legal person’s will is declared through its representative. Therefore, the act of the representatives is the act of that legal person provided that the representatives act in the business of and in the name of the legal person. In conclusion, the Supreme Court has interpreted the term “anybody” to cover not only natural persons but also legal persons. Examples of the offences of which the Supreme Court has held that the legal person can be the subject are refusal to comply with a lawful order of an official, cheating and fraud, and taking false information to charge a person in court. The offences charged in these decisions were offences which require intention. However, the Supreme Court also decided that the legal person could also be held liable for a negligent act. In addition, the Supreme Court decided that a legal person could be a subject of other law which has criminal provisions, such as the Act on the Misuse of Cheques B.E. 2497(1954).

However, under Section 18 of the Thai Penal Code, the allowable criminal liability or punishments are the

following: (1) death (or life sentence); (2) imprisonment; (3) confinement; (4) fine; and (5) forfeiture of property. The Penal Code is the major criminal law in Thailand. The only allowable penalties in any other criminal legislation must be these five types of penalties. This is a legal pitfall since death, imprisonment and confinement cannot be imposed upon a legal person. Thus only fine and forfeiture are the possible sanctions for a legal person. When compared to the monetary benefit a legal person obtains from such crimes, the maximum fine under Section 61 of the AMLA, which is one million baht, is minimal. Regarding forfeiture of assets, such property has to be that used to commit the crime or obtained from such crime. Therefore, it is doubtful whether these criminal sanctions are appropriate or sufficient to prevent a corporation from committing crime.

### **B. Indonesia**

In Indonesia, the legal framework of corporate criminal liability could be looked at in two different ways: the Penal Code and the Special Crime Law. The Penal Code states the principle that it is only human beings who can commit criminal acts (be the subject of a criminal act). In the event that there is a criminal act in relation to a corporation, the liability for its crime, by the virtue of Penal Code, shall be duly borne by the corporation management so made to present on behalf of and in the name of corporation. Meanwhile, those corporation managements who are not involved in such criminal acts shall not be prosecuted.

Criminal law other than the Penal Code has stipulated corporations as the subject of criminal acts, in addition to human beings. In 1951, for the first time, it was applied in the urgent law regarding commodities stockpiling. The principle of corporations' criminal liability was then adopted in various laws other than the Penal Code, such as laws regarding tax, capital markets, eradication of corruption, money laundering, etc. In order for a corporation to be held criminally liable, a 'directing mind' shall commit the offence. The term 'directing mind' refers to directors, managers, owners and also *de facto* owners. The principal penalty for a corporation is fine. As for additional criminal penalties, revoking of business licences and liquidation are available. Criminal sanctions are only enforced as a last resort after any other civil or administrative sanctions.

### **C. Japan**

According to Japanese law, a company itself cannot commit a crime, but directors, managers and employees can. However a double punishment does exist in Japan in many specific laws, such as tax law; anti-monopoly law; anti-organized crime law; securities and exchange law; company law; unfair competition law, including foreign bribery; but not in the Penal Code. Under the double punishment provisions, when any representative, agent, employee or other person engaging in the business of a legal person commits an offence in connection with the business of such legal person, the fine shall be imposed on such legal person in addition to punishing the actor, unless the legal person can prove that the legal person has taken all necessary measures in its assignment, supervision and/or other duties in order to prevent such an individual(s) from committing the crime (this negligence of the legal person is presumed).

A natural person who is capable of being the subject of the crime can either be a director or an employee.

It is usually important to identify a specific person in the company who has committed an offence.

The penalty for a legal person (provided that there is a double punishment provision) is a fine.

### **D. Botswana**

In Botswana, a corporation is defined in law as a legal person. Once it is created, it is separated from its shareholders and can enjoy the same rights and is subject to the same duties as a natural person, according to the Botswana Companies Act. Section 24 of the Penal Code states that where an offence is committed by any company or other body corporate, or any society, association or body of persons, every person charged with, or concerned or acting in the control or management of the affairs or activities of such company or body corporate shall be guilty of that offence and liable to be punished accordingly, unless it is proved by such person that, through no act or omission on his or her part, he or she was not aware that the offence was being or was intended or was about to be committed, or that he or she took all reasonable steps to prevent its commission. The sanctions against the corporation could be fine or forfeiture. According to Section 29 of the Penal Code, it is stated that where no sum is expressed to which the fine may extend, the amount of the fine which may be imposed is unlimited, but shall not be excessive.

There is no criminal liability, but only administrative and civil liability, for legal persons in the Philippines, which are described below.

## **VI. OTHER TYPES OF LIABILITY LEGAL PERSONS ARE SUBJECT TO IN REGARD TO CORPORATE CRIME (CIVIL AND ADMINISTRATIVE)**

### **A. Indonesia**

Civil liability according to Indonesian Civil Code means that corporations as well as natural persons are subject to responsibility for the misconduct and breach of a contract that can cause loss to another party. A corporation can be held liable for the loss of another party in the form of indemnification, performing their duty and remedy. The corporate liability principal can be found in some laws besides the Civil Code such as in the Natural Resources Law, Tax Law, Consumer Rights Law, Intellectual Property Law, etc.

The use of administrative sanction for legal persons that violate the law can be used also. Administrative sanction is applied to the corporation that violates the law. The administrative liability can be in the form of fine, obligation to perform administrative requirements and combined with daily fine, and revoking of their business licence. Administrative law is regulated in the laws on tax, banking, export and import, concession in mining, stock market, etc.

### **B. Thailand**

In Thailand, a legal person can be held liable for compensation for any damage done to other persons by its representatives or the person empowered to act on behalf of the legal person in the exercise of its functions, saving its rights of recourse against those who caused the damage.

Thailand has incorporated administrative sanctions in the law to make the laws more effective. The legal drafting style is that the law states that the act committed is a criminal offence and allows punishment and other details to be elaborated in subordinate laws such as notifications or rules. This makes it easier to amend such provisions and empower the enforcement agency of that law to exercise its power. For example, under the Commercial Bank Act B.E. 2505, the Bank of Thailand (BOT) is the regulator of the Act. Therefore it can exercise its administrative power, such as to remove the directors of a commercial bank if damage has been caused or may have been caused to the public. This administrative sanction is a quick response to that situation because without this administrative sanction, the BOT will have no power to remove the directors and cannot stop them from operating the company even when there is a sign that such directors are dishonest and operate the business badly or have shown some malicious intent to obtain benefits or use a company for their own interest.

Thus the regulator of the law can enforce the law by itself. There is no need to have the case initiated by the police or public prosecutor which may not act rapidly enough to prevent or stop the crime. Examples of the administrative sanctions are:

- (a) daily fine until such legal persons stop violating the laws, such as the Enhancement and Conservation of National Quality Act B.E. 2535(1992) Section 91, under which a legal person must pay a daily penalty four times the daily expenses for the normal operation of its on-site facility for wastewater treatment or waste disposal throughout the period of illegal discharge;
- (b) removal of directors or persons responsible for the operation of the corporation if they cause or may cause damage to the public or in urgency to correct the status of the company; such as the Commercial Bank Act and the Undertaking of Finance Business, Securities Business and Credit Foncier Business B.E. 2522 (A.D. 1979).

### **C. The Philippines**

In the Philippines, the Corporation Code or the R.A. No. 68 states as a general rule that the corporation is distinct from its Board of Officers. This means that the Officers cannot be held liable for the consequences of their acts as long as they keep within the lawful scope of their authority in acting and act in good faith. Those acts are properly attributed to the Corporation alone. However, they become also liable if they assent to patently unlawful acts, gross negligence or bad faith in directing the affairs of the Corporation, or acquire any personal interest in conflict with their duty. A corporation can only be charged with civil and administrative

cases, unlike a natural person who can be charged with criminal, civil, and administrative cases. A corporation found violating the Corporation Code may be dissolved in appropriate proceedings before the Securities and Exchange Commission (SEC).

The main doctrine of separate juridical personality of the corporation from its stockholders or members who compose it can be tempered by the doctrine of piercing the veil. This means that through the piercing the veil doctrine, both the corporation and the stockholders or members can be charged with a certain offence.

The Republic Act No. 8799, otherwise known as the Securities and Regulation Code, provides administrative sanctions against an erring corporation, such as suspension or revocation of any registration for the offering of securities, fines, and disqualification of its officers through the SEC. The imposition of these administrative sanctions shall be without prejudice to the filing of criminal cases against the responsible individuals.

#### **D. Japan**

In Japan, legal persons and directors, etc. may be required to compensate damages as their civil liability. As for administrative liability, a legal person may be subject to revocation of licence, suspension of business operations and a surcharge. For serious cases, the regulatory agencies impose surcharges on legal persons and also file a criminal accusation against them.

### **VII. INDIVIDUAL LIABILITY OF NATURAL PERSONS**

The discussion on this issue was more or less covered during the discussion of items (IV) and (V) above. Further, there was some additional information provided by some countries.

#### **A. Thailand**

In Thailand, there are provisions in many pieces of legislation stipulating presumption of individual liability, either conclusive or irrebuttal or rebuttal presumption. An example of conclusive presumption is the Act Determining Offences Relating to Registered Partnership, Limited Partnership, Associations and Foundations B.E. 2499(A.D. 1956) Section 25. The rationale behind this conclusive presumption is that the act of a legal person is the act of an executive. Therefore, it is believed that such an act is committed within the knowledge of the executive. In this case, the punishment imposed upon an accused is usually a fine and under the Thai Criminal Procedure Code Section 37(1) if the punishment is a fine and if an accused has paid the fine as fixed, the case is settled. Therefore this presumption does not seriously affect the rights and liberty of such executives. Examples of rebuttal presumption are found the Anti-Money Laundering Act B.E. 2542(1999) Section 61.

#### **B. Botswana**

In Botswana, Sections 322-325 of the Penal Code provide for the criminal liability of natural persons, like fraudulent appropriation or accounting by directors or officers, false statements by officials of companies, false accounting by clerks or servants and false accounting by public officers.

#### **C. The Philippines**

The Corporation Code of the Philippines specifically states in Section 144 the criminal penalties for violations of "any" of the provisions of the Corporation Code and the penalties include fine of not less than PHP1,000 (Philippine pesos) but not more than PHP10,000 or by imprisonment for not less than 30 days but not more than five years, or both, at the discretion of the court. Criminal penalties are for natural persons only.

### **VIII. MISUSE OF CORPORATE VEHICLES**

#### **A. Current Situation of Misuse of Corporate Vehicles**

##### **1. The Philippines**

In the Philippines, a drug dealer built a concrete products factory to lead people into believing that his fortune was coming from a legitimate source. Obviously, the company was established primarily not for profit, the usual objective of any business enterprise, but for laundering the money coming from the drug activities. Eventually, this scheme was discovered after his arrest. During that time the Anti-Money Laundering Act was not yet enacted so he was only indicted on drug charges and his assets were subjected

to civil forfeiture in favour of the government.

## 2. Thailand

In Thailand, the current situation of misuse of corporate vehicles comprises money laundering cases through illicit activities and tax evasion cases and paper companies deceiving overseas job seekers by taking deposits from them with a false promise to place them in paid employment. Directors of a commercial bank grant loans to paper companies.

## 3. Japan

According to the Japanese participant, the concept of misuse of corporate vehicles incorporates two points of view: one is misuse of existence of corporate vehicles; the other is the use of a paper company. The following two examples were provided.

### (i) *A Fraud Case on the Pretext of Investment (Misuse of Existence of Corporate Vehicles)*

Company A appeals to the public for an individual investment, explaining that Company A invests the funds in Company B, Company B invests the fund in some other enterprise, and makes a profit, which will be returned to the investor. Actually, Company A is deeply connected to Company B, but they pretend otherwise, for the purpose of avoiding liability or punishment. In fact, Company B doesn't invest the money, and the owner of Company A and B flees with the money. Company A then goes bankrupt, the perfunctory reason being that the enterprise is unsuccessful. This is a case of misuse of the existence of corporate vehicles. Sometimes, they pretend that they invest in an enterprise in a foreign country; for that reason it is more difficult to identify the owner when investigating. For such reasons, international co-operation is necessary to fight this crime.

### (ii) *Money Laundering, Tax Evasion Case (Use of a Paper Company)*

Company A commits a crime and generates an illegal profit, and the owner of Company A intends to conceal this illegal profit. The owner of Company A uses several paper companies (B, C, and D) to move this illegal profit around finally and back into his possession. Company B, C, D do not have any activity. This was a case of use of a paper company. In this case, the offender also used a paper company established in a foreign country to avoid identifying himself. It is also necessary for countries to co-operate during investigations in such cases.

## 4. Botswana

In Botswana it is said that many companies come into the country to set up businesses as the government is vigorously encouraging foreign investment to diversify the economy. After receiving subsidies from the government, some of these companies operate only for a few months then close their businesses claiming bankruptcy and go back to their original countries, leaving behind half-completed projects and many stranded employees. There is a problem also with private schools which take tuition fees from students and then close their schools before students take their examinations. It is also said that in order to comply with the FATF 40+ recommendations, the Financial Intelligence Unit is being set up to address money laundering issues.

## **B. Regulations on the Misuse of Corporate Vehicles in International Agreements, such as the FATF Forty Plus Recommendations, and Domestic Laws**

The discussion centered mainly on the regulation of anti-money laundering measures (customer identification, record keeping, suspicious transaction reporting), and regulations on companies (whether a company is registered and whether it is supervised by the Government, and law enforcement authorities' access to such information, as well as bank information and company information).

### 1. Japan

In Japan, if someone intends to establish a company, he or she should report to the Regional Legal Affairs Bureau, and name the director of the company and the address of the main office of the company, etc. The government office stores this registration. If there is a change of director, he or she should report to the government office. Investigation agencies and the general public can easily access these registration documents.

When someone establishes an account in a financial institution, the financial institution should identify and verify the identity of the customer. The investigation authorities can access this information and all other bank information upon request to the financial institutions. In practice, they mostly provide such information voluntarily, without a court order. Furthermore, financial institutions should file suspicious transaction reports to the FIU in relation to the customer. The investigation authorities can easily access the FIU information.

## 2. Indonesia

In Indonesia, every incorporated company under the Indonesian Limited Company Law should apply for registration. Every company is required to register at the Ministry of Justice; therefore it is easier for the company to be controlled. However the controlling is limited only to the administration of paperwork if there is a complaint against the company. Every listed company in the stock market is required to provide annual reports. The report is examined by an independent auditor, and sanctions will be applied if the reports are made up or are false. Companies that bid on government project tenders are required to submit general reports about their companies and the validity of the reports are examined and audited by independent auditors.

It was also said that Indonesia has taken some measures regarding corporate crime, for example, adopting the 40+ FATF Recommendations into Indonesian law. One concrete action is the enactment of the Money Laundering Law. The Money Laundering Law created the Financial Intelligence Unit, or PPAJK, whose main duties are collecting, analysing and evaluating every suspicious transaction. Every provider of financial services must report to the FIU in case of suspicious transactions or a transaction of more than 500 million rupiah. Moreover, people who carry money in the amount of 100 million rupiah inside or outside Indonesia shall declare the money.

## 3. Botswana

In Botswana it was said that all companies should register at the Registrar of Companies under the Ministry of Trade and Industry. A company must fulfill the requirements stipulated in the Companies Act, such as disclosing the names of all directors and providing information on shareholders and the physical location of the company. At least one of the directors should be a citizen of Botswana and so on. This information is a public record which can be accessed by authorized persons.

## 4. Thailand

In Thailand the AMLA established the Anti-Money Laundering Office (AMLO) as an independent agency under the Ministry of Justice. The AMLO receives, analyses, and processes suspicious and large transaction reports, as required by the AMLA. The AMLA requires customer identification, record keeping, the reporting of large and suspicious transactions, and provides for the civil forfeiture of property involved in a money laundering offence. Therefore, financial institutions must disclose their clients and ownership to AMLO if requested.

The private limited company is formed by registration of a Memorandum of Association and Articles of Association as its initiative documents. There must be at least seven shareholders in the private limited company. The name of the company, the address of the company, the registered capital, the objectives, shareholding structure, Articles of Association (By-Laws), and directors, must be included in the registration paper. This information can be checked by the public. The company also has a duty to prepare its financial statement at least once every 12 months and must be audited by at least one auditor. This balance sheet has to be approved by the general meeting of the shareholders. Then the financial statement must be lodged with the Business Information Service Office of the Department of Commercial Registration.

## IX. CONCLUSION

In the era of globalization, corporate activities have become transnational. Corporations tend to expand; however, this sometimes produces negative as well as positive impacts on society, such as commission of economic crimes with highly sophisticated and complicated *modi operandi*.

Faced with this challenge, each segment of the criminal justice system is mandated to come up with

effective solutions to address the problem. Furthermore, the international community has to work hand in hand to curb corporate crimes.

Every country has taken some steps to prevent and detect corporate crimes and misuse of corporate vehicles, and impose sanctions on corporate entities that commit crimes. Although the legal systems of participant countries vary regarding the liability of legal persons, we concluded that it is important to punish legal persons effectively and appropriately.

#### **X. RECOMMENDATIONS**

1. Effective methods of raising awareness among the public and the law enforcement authorities of the phenomenon of charging legal persons is necessary;
2. In order for the competent authorities to impose adequate sanctions against legal persons, it is important to have a variety of sanctions available as options, which may be criminal, administrative and/or civil, in accordance with the legal system of each country;
3. In order to prevent, deter, and combat corporate crimes, effective and adequate legal sanctions should be imposed on legal persons, regardless of sanctions against natural persons;
4. Legal persons and offenders should be deprived of the proceeds of corporate crime. To serve this purpose, laws on confiscation and forfeiture should be strengthened and fully implemented;
5. Corporate crime is a global problem. Therefore, international co-operation, in terms of international agreements as well as of co-operation and co-ordination through formal and informal channels, is important and should be strengthened;
6. Sharing of technical investigative know-how pertaining to corporate crime, through training and other means, should be enhanced among the international community;
7. Legal measures that may contribute to the prevention and detection of misuse of corporate vehicles and corporation crime, such as registration systems for companies and obligations for financial institutions (customer identification, record keeping and suspicious transaction reporting) should be strengthened. Company and bank information kept by relevant authorities/institutions should be accessible to the competent authorities in a timely manner.