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White-Collar Crime: Law approved to toughen punishment for economic crimes and crimes against the environment

The initiative is part of the Government's anti-abuse agenda, which punishes collusion, insider trading and corruption.

The Chamber of Deputies has approved the bill to expand criminal liability for economic crimes and crimes against the environment. The initiative is part of the anti-abuse agenda, which punishes collusion, insider trading and corruption. Among other things, the bill allows for tougher prosecution of "white-collar" crimes.

Justice and Human Rights Minister Luis Cordero stressed, "it is probably the most significant reform to the Penal Code of 1874 that we have had to date. It has been part of a wide-ranging debate since January 2020. As we pointed out in the Chamber, this bill meets three conditions that are worthy of public debate: firstly, it is a transversal parliamentary motion from different deputies of all the benches. Secondly, it is a bill that benefited from permanent consultation on the main aspects of criminal law in our country. And thirdly, the Executive branch has played a role in promoting and driving this bill, especially in its final stage, so that we do not forget the importance of combating economic impunity."

"One of the main reasons why this project is important is that it deals with economic crime in a different way to common crime. The harmful consequences that these types of crimes have for society means it is not only about expressing a specific type of disqualification penalty, but also the social damage that they can cause, which are sometimes infinitely greater than those linked to common crime," Minister Cordero stated.

Finally, the minister said that "the central purpose of this bill is to combine a set of instruments to prevent this type of crime from being committed, which imposes greater demands on legal persons and their internal compliance regime. It also imposes greater obligations on those who hold executive and managerial positions in companies. In other words, if companies properly adopt the requirements of this bill, we should significantly reduce these types of violations. Today, there has been good news for the country. There has been good news in terms of participation in general and, above all, this type of crime tends to be assessed differently due to the social consequences it causes."

Characteristics of the law

1. It establishes a different statute to determine punishment for white-collar crimes.
2. When the crime has a theoretical prison sentence, it is much more likely that it must be carried out with deprivation of liberty in order to avoid impunity for committing economic crimes.
3. It also includes official crimes as a category of "economic crime", when they are committed with the participation of a member of a company or in favor of it.
4. Additionally, it establishes a new way of determining the fine (called "days-fine"), which is calculated from the average daily income of the convicted person.
5. This system will allow the fine to range from half the UTM (Unidad Tributaria Mensual: an indicator used for tax purposes whose value in pesos is defined by law and is adjusted each month in accordance with the Consumer Price Index) (currently more than $31,000 Chilean pesos [US$39]) to a maximum theoretical amount of almost $19 billion pesos (US$24 million) for a natural person, without considering crimes committed by a company as a legal entity.

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