

German Corporate Liability Act - “VerSanG” | Overview

The German bill “Gesetz zur Stärkung der Integrität in der Wirtschaft” newly regulates the sanctioning of company crimes



The German Corporate Liability Act (“VerSanG”) newly regulates company crimes and allows, among other things, significantly higher sanctions - however, it takes into account mitigation of sanctions through effective Compliance Management Systems (CMS) and internal investigation.

| Current legal situation | Significant changes | Corporate Liability Act – VerSanG | |
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| <p data-bbox="446 341 701 394">German Administrative Offences Act (OWiG)</p> <p data-bbox="401 429 739 530">Opportunity principle Prosecution of the criminal offense or misdemeanor is at the discretion of the prosecuting authorities</p> <p data-bbox="401 612 745 765">Scope of application Legal violations in various areas, e.g. animal welfare, illegal employment - but also data protection, competition, compliance, financial crime</p> <p data-bbox="401 874 726 951">Sanctioning measure max. 10 million euros (irrespective of turnover)</p> | <p data-bbox="768 339 1107 392">German Corporate Liability Act (VerSanG)</p> <p data-bbox="768 426 1045 528">Principle of legality If a criminal act has been committed, there is a duty to prosecute.</p> <p data-bbox="768 612 1107 814">Scope of application Criminal act which violates companies' obligations or by which company* was/ should have been enriched. Establishing offense has been committed in the company sufficient - offender doesn't have to be known.</p> <p data-bbox="768 874 1079 945">Sanctioning measure max. 10% of the average (Group) annual turnover</p> | <p data-bbox="1151 339 1454 392">Associations, offenders and offenses</p> <p data-bbox="1132 426 1450 579">Companies _ Legal entities under public or private law _ associations without legal capacity _ Partnerships with legal capacity</p> <p data-bbox="1132 612 1460 814">Perpetration Perpetration based on the concept of management person: _ Member of a body authorized to represent the company. _ Any other person who is responsible for the management of the company.</p> <p data-bbox="1132 874 1466 972">Offenses (excerpt) Offenses to be prosecuted incl. tax, property, competition and compliance offenses</p> | <p data-bbox="1508 339 1827 364">Sanction mitigating measures</p> <p data-bbox="1495 432 1837 536">Compliance Mgmt. System Processes, techniques and methods aimed at identifying risks and ensuring regulatory compliance</p> <p data-bbox="1495 618 1837 798">Internal investigations Company support for clarification, e.g. through significant contribution to clarification, cooperation with prosecution authorities and documentation obligations regarding the results</p> |

*VerSanG regards only legal entities whose object is not commercial business