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The Rise of BIC Corporations in Latin America

The Peruvian Experience and the Future of Impact-Driven Business

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Executive Summary

Benefit and Collective Interest Corporations (BICs) have emerged as one of the most significant innovations in corporate governance across Latin America. By formally integrating social and environmental objectives into their corporate purpose, BICs seek to reconcile profitability with the creation of shared value.

This paper analyses the development of BIC corporations in Latin America, with a particular focus on Peru. It highlights the regulatory advances achieved through Law No. 31072, the governance innovations introduced by the Peruvian framework and the challenges that remain for the consolidation of the impact economy.

The paper argues that the future success of BIC corporations will depend not only on the existence of legal frameworks but also on the capacity to develop supportive ecosystems involving businesses, investors, academia, civil society and public institutions.

Key Takeaways

Purpose beyond profit

Benefit and Collective Interest Corporations (BICs) represent a fundamental evolution in corporate governance by integrating economic performance with measurable social and environmental impact

Peru's legal innovation

Peru has established one of Latin America's most comprehensive BIC frameworks, combining corporate purpose, stakeholder governance, strategic planning and impact reporting

From regulation to ecosystem

Legislation alone cannot ensure success. The consolidation of BIC corporations requires supportive ecosystems involving businesses, investors, academia, civil society and public institutions

A regional opportunity

The Latin American experience demonstrates that purpose-driven business is becoming a strategic driver of sustainable development, responsible investment and corporate innovation

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Introduction

For decades, the corporation was primarily conceived as an organization aimed at generating economic benefits for its shareholders. However, the growing challenges associated with climate change, social inequality, the depletion of natural resources, and recurrent economic crises have revealed the limitations of a business model focused exclusively on financial profitability (Fierro Aguilar, 2023). In this context, a global trend has emerged that promotes a broader understanding of the role of business, based on the simultaneous creation of economic, social, and environmental value (Correa & Villalobos, 2025). This transformation gained particular relevance with the adoption of the United Nations' 2030 Agenda for Sustainable Development, which recognizes that achieving the Sustainable Development Goals (SDGs) requires the active participation not only of governments but also of the private sector and civil society (Fierro Aguilar, 2023). From this perspective, businesses are called upon to play a strategic role in developing solutions to the most pressing social and environmental challenges of our time.

In response to these new demands, various business models have emerged seeking to integrate sustainability into corporate purpose. Among the most notable are Benefit and Collective Interest Corporations (BICs), a legal framework inspired by the Benefit Corporations developed in the United-

States beginning in 2008 and subsequently adapted to different legal systems around the world (Correa & Villalobos, 2025). These organizations are characterized by formally incorporating into their corporate bylaws the obligation to generate a positive impact on society and the environment, thereby complementing the traditional economic purpose of the corporation (Connolly, Mujica, & Noel, 2020). BIC corporations are part of a broader movement of purpose-driven or triple-impact businesses, whose central premise is to demonstrate that economic profitability can coexist with the generation of social and environmental benefits (Aranibar Ramos, Choque Zambrano, & Patiño Huayhua, 2021). From this perspective, the corporation ceases to be viewed solely as a vehicle for profit generation and becomes an actor capable of contributing to sustainable development through its own economic activities (Correa & Villalobos, 2025). In Latin America, the incorporation of this legal framework has given rise to a significant process of legal and business innovation. Nevertheless, the development of BIC corporations has been uneven across the region, with substantial differences in levels of adoption, institutional development, and the practical implementation of existing regulatory frameworks (Correa & Villalobos, 2025). In Peru, the enactment of Law No. 31072, the Benefit and Collective Interest Corporation Act, in November 2020, represented a significant step forward in the legal recognition of purpose-driven companies.The law allows any corporation governed by the General Corporations Act to vol-

voluntarily incorporate social and environmental benefit objectives into its business activities (Aranibar Ramos et al., 2021). Despite this regulatory progress, important challenges remain regarding the consolidation of the impact-business ecosystem, the creation of incentives for adoption, and the effective measurement of the results achieved.

Against this backdrop, this article examines the evolution of BIC corporations and the impact economy in Latin America, with particular attention to the Peruvian case. It argues that BIC corporations are not merely a legislative innovation within contemporary corporate law; rather, they represent a manifestation of the progressive transformation of corporate purpose toward governance models oriented to sustainability, shared value creation, and the achievement of the Sustainable Development Goals.

1. The Development of BIC Corporations in Latin America

The consolidation of Benefit and Collective Interest Corporations (BICs) in Latin America constitutes one of the most significant manifestations of the contemporary evolution of corporate law toward sustainability-oriented business models. Influenced by the development of Benefit Corporations in the United States and the growing prominence of impact-driven enterprises, several countries in the region have adopted legal frameworks aimed at formally recognizing organizations that seek to generate economic, social, and environmental value simultaneously (Correa & Villalobos, 2025). One of the principal arguments in favor of Benefit and Collective Interest Corporations is that they do not represent a theoretical construct detached from business reality, but rather the legal formalization of business models that have already been operating successfully in various countries. Indeed, numerous companies have demonstrated that economic profitability can be reconciled with the creation of social and environmental value by incorporating these objectives as a central component of their productive activities rather than as complementary corporate social resp-

-onsibility initiatives. In the Peruvian context, several business initiatives clearly reflect this shared-value creation logic. Caillaux and Ochoa (2021) highlight the case of Shiwi, a company that commercializes products derived from Amazon rainforest conservation activities, thereby generating economic incentives for ecosystem protection and the sustainable use of natural resources. Similarly, they refer to Pausa, an organization that promotes responsible tourism experiences based on engagement with local communities, environmental conservation, and the sustainable development of the territories in which it operates. They also emphasize the experience of Sinba, whose business model focuses on the management of solid waste generated by food service establishments, contributing to the reduction of greenhouse gas emissions and promoting the principles of the circular economy (Caillaux & Ochoa, 2021). The Latin American experience also provides noteworthy examples of companies that have successfully consolidated large-scale impact business models. Among them, Natura Cosméticos in Brazil stands out as an internationally recognized company for integrating environmental sustainability and social responsibility criteria throughout its entire value chain (Caillaux & Ochoa, 2021).These cases demonstrate that purpose-driven businesses can operate across a wide range of economic sectors—including financial services, tourism, the cosmetics industry, environmental management, commerce, and food production—without sacrificing economic profitability.

On the contrary, they show that the incorporation of social and environmental objectives can constitute a competitive advantage capable of generating trust among consumers, investors, and other stakeholders. In this context, BIC corporations emerge as a legal response to a pre-existing business reality. Their principal contribution lies in granting legal recognition to organizations that voluntarily decide to integrate a social and environmental purpose into their business model, while strengthening mechanisms of transparency, accountability, and impact measurement. From this perspective, the BIC framework does not create a new way of doing business; rather, it provides a legal structure that makes visible, protects, and promotes business initiatives that already contribute to sustainable development through the simultaneous generation of economic, social, and environmental value. Nevertheless, the adoption of this model has not followed a uniform trajectory throughout the region. While some countries have succeeded in developing more robust business ecosystems and a significant number of registered BIC corporations, others continue to face challenges related to the dissemination of the model, the creation of incentives, and the effective measurement of impacts. In this regard, it is pertinent to examine both the regional experience and the Peruvian case in order to understand the progress achieved, the existing regulatory differences, and the principal challenges facing the consolidation of the impact economy in Latin America.

1.1. Peru: Regulatory Advances and Challenges for Consolidation

The incorporation of Benefit and Collective Interest Corporations (BICs) into the Peruvian legal system constitutes one of the most significant advances in corporate sustainability and corporate governance in recent years. With the enactment of Law No. 31072 in November 2020, Peru became one of the first countries in Latin America to expressly recognize companies that voluntarily choose to incorporate social and environmental objectives into their economic activities and management structures. Unlike other corporate models, the Law does not create a new type of business entity but rather establishes a special legal category that may be adopted by any company governed by the General Corporations Act (Law No. 26887). Accordingly, a corporation (sociedad anónima), a limited liability company, or any other corporate form recognized under Peruvian law may acquire BIC status through an amendment to its bylaws and the corresponding registration process. The principal contribution of the Peruvian regulation lies in its explicit recognition that companies may pursue objectives beyond the mere generation of profits.

Article 3 of the Law defines a BIC corporation as a legal entity that voluntarily undertakes to generate a positive impact or reduce a negative impact on society and the environment by integrating such purpose into its economic activities. This recognition represents a significant evolution from the traditional conception of the corporation, acknowledging that the creation of economic value can coexist with the generation of social and environmental value. Furthermore, the Peruvian legal framework introduces important innovations in the field of corporate governance. In particular, it expands the duties of directors and managers, who must consider not only the economic interests of shareholders but also the impact of their decisions on employees, communities, suppliers, consumers, and the environment. In doing so, the Law embraces a broader vision of corporate management aligned with contemporary approaches to sustainability and shared value creation. The Regulation of the Law, enacted through Supreme Decree No. 004-2021-PRODUCE, reinforces this approach by requiring BIC corporations to include in their bylaws a clearly defined benefit purpose, which must comprise, at a minimum, one social objective and one environmental objective. Moreover, this purpose must be implemented through a strategic plan designed to guide the company's activities toward the achievement of concrete and measurable outcomes.

Such strategic plan must be prepared and approved by the appropriate corporate body within sixty calendar days following registration as a BIC corporation in the Legal Entities

Registry maintained by the National Superintendency of Public Registries (SUNARP). A particularly relevant aspect of the Peruvian model is its connection to the United Nations 2030 Agenda and the Sustainable Development Goals (SDGs). The Regulation expressly provides that BIC corporations may orient their activities toward objectives such as poverty reduction, educational improvement, gender equality, climate change mitigation, the creation of decent work opportunities, technological innovation, and ecosystem protection, among others. This linkage enables business activities to be aligned with the principal challenges of sustainable development at both the national and international levels. Another distinctive feature of the Peruvian regulatory framework is the importance placed on transparency and accountability. BIC corporations are required to prepare an annual management report demonstrating the social and environmental impact generated in relation to their benefit purpose. This report must be prepared by an independent organization and based on internationally recognized standards, such as the B Impact Assessment, the Global Reporting Initiative (GRI) Standards, ISO 26000, or ISO 14001. Furthermore, it must be made available to shareholders and the general public, thereby reinforcing the principles of transparency and corporate trust.

The principal characteristics of the Peruvian regulatory framework are summarized in the following table:

Table 1

Main Features of the Peruvian BIC Framework

Key Feature	**Peruvian Framework**	**Strategic Significance**
Legal status	Existing companies may voluntarily acquire BIC status through an amendment of their	Enables adoption without creating a new corporate form
Voluntary adoption	Companies freely decide whether to become BICs	Preserves private autonomy and entrepreneurial freedom
Corporate purpose	A social and environmental purpose must be incorporated into the corporate bylaws	Distinguishes BIC corporations from traditional companies
Governance model	Directors must consider the interests of shareholders and other stakeholders	Promotes stakeholder-oriented governance
Strategic planning	Companies must adopt a Benefit Strategic Plan	Converts purpose into measurable business action

Table 1

Main Features of the Peruvian BIC Framework

Key Feature	**Peruvian Framework**	**Strategic Significance**
Transparency	Annual impact reports must follow recognised international standards	Strengthens accountability and credibility
Public recognition	Companies may use the designation "Benefit and Collective Interest Corporation (BIC)"	Enhances visibility and market recognition
Loss of status	BIC status may be voluntarily renounced or revoked for non-compliance	Safeguards the integrity of the legal framework
SDG alignment	Corporate purpose may contribute to the Sustainable Development Goals	Connects business strategy with global sustainability objectives

Despite the conceptual strength of its regulatory design, the practical implementation of the BIC model in Peru has faced significant challenges. One of these is the limited dissemination of the concept within the business sector. There remains a considerable lack of awareness regarding the legal scope and strategic advantages of BIC corporations, particularly among small and medium-sized enterprises (SMEs), which constitute the majority of Peru's business landscape. In many cases, sustainability continues to be perceived as a complementary or philanthropic activity rather than as an integral component of the business model. Another challenge is the absence of specific incentives for companies that choose to adopt this legal category. The Law expressly provides that BIC status does not grant additional tax benefits or a special economic regime. Although this decision was intended to avoid regulatory distortions, it has also reduced one of the key incentives that could have encouraged more rapid adoption, particularly during the early stages of implementation. An additional challenge concerns the costs associated with compliance with reporting and impact assessment obligations. The preparation of management reports by independent entities and the use of internationally recognized standards may represent a significant financial burden for smaller companies, limiting their ability to access this corporate category. Consequently, a key future challenge will be to develop mechanisms that maintain high standards of transparency while avoiding excessive barriers to the participation of Peruvian small and medium-sized enterprises.

The consolidation of BIC corporations also requires the development of business networks, training programs, sustainable financing mechanisms, accessible impact measurement systems, and greater coordination among the public sector, the private sector, and academia.

Finally, BIC corporations have the potential to become a strategic tool for strengthening the competitiveness of Peruvian businesses, attracting sustainable investment, and contributing to the achievement of the Sustainable Development Goals. More than merely an additional corporate category, they represent an opportunity to rethink the role of business in fostering a more inclusive, resilient, and sustainable model of economic development.

Table 2

BIC Corporations Across Latin America

Country	**Regulatory Status**	**Distinctive Feature**
Colombia	Law 1901/2018	Regional pioneer with the largest BIC ecosystem
Peru	Law 31072/2020	Strong governance framework focused on purpose and accountability
Ecuador	BIC corporate legislation	Rapid expansion supported by impact measurement mechanisms
Uruguay	National BIC framework	Mature sustainability culture closely linked to the B Corp movement
Panama	Emerging regulatory framework	Progressive institutional recognition of impact businesses

1.2. BIC Corporations in Latin America

BIC corporations represent a legal innovation aimed at formally recognizing organizations that incorporate impact-oriented objectives into their corporate governance structures and business activities (Correa & Villalobos, 2025). Latin America has emerged as one of the regions where this model has experienced the most significant expansion over the last decade. The influence of the B Corp movement, the growing relevance of Environmental, Social, and Governance (ESG) criteria, and the adoption of the Sustainable Development Goals (SDGs) have all contributed to the development of regulatory frameworks designed to provide legal recognition to companies committed to sustainability (Fierro Aguilar, 2023).Colombia was a pioneer in the region with the enactment of Law 1901 of 2018, becoming the first Latin American country to establish a specific legal framework for BIC corporations. This early adoption fostered the development of one of the strongest ecosystems in the region, characterized by a high number of registered companies and greater collaboration among the private sector, sustainability-promoting organizations, and public institutions. According to Correa and Villalobos (2025), Colombia has the largest number of registered BIC corporations in Latin America, making it a benchmark for other countries that subsequently incorporate-

-ed this legal framework into their domestic legal systems. Ecuador represents another of the most relevant cases in the region. Following the incorporation of BIC corporations into its corporate legislation, the country has experienced sustained growth in the adoption of this business model. Various studies highlight that Ecuadorian regulation has strengthened mechanisms of transparency, impact measurement, and accountability, thereby facilitating the consolidation of companies committed to social and environmental objectives. Likewise, the experiences developed in Ecuador demonstrate a close relationship between impact-driven businesses and contributions to the achievement of the Sustainable Development Goals, particularly in areas related to social inclusion, community development, and equal opportunities (Fierro Aguilar, 2023).

Uruguay constitutes a unique case within the regional ecosystem due to the close relationship between BIC corporations and the B Corp movement. Correa and Villalobos (2025) note that a significant proportion of organizations adopting BIC status had previously obtained sustainability-related certifications or implemented sustainability-oriented business practices. This circumstance has helped strengthen a business culture based on impact measurement and the creation of value for diverse stakeholder groups. Similarly, other countries in the region have promoted legislative initiatives and reforms aimed at fostering purpose-driven businesses. Panama has developed regulatory mechanisms designed to recognize organizations committed to sustainabil-

-ity, while countries such as Chile, Argentina, and Mexico have advanced legislative proposals and regulatory initiatives that reflect a growing interest in institutionalizing impact-oriented business models (Correa & Villalobos, 2025). Nevertheless, the development of BIC corporations in Latin America also reveals significant challenges. These include regulatory differences among countries, the absence of specific economic incentives to encourage adoption, the costs associated with preparing impact reports, and the need to develop standardized methodologies for measuring social and environmental outcomes. As Aranibar Ramos, Choque Zambrano, and Patiño Huayhua (2021) point out, in several legal systems the adoption of BIC status entails additional transparency and reporting obligations without necessarily providing direct economic or tax benefits to companies.

Despite these limitations, the Latin American experience demonstrates that BIC corporations have become one of the principal legal instruments for promoting the impact economy in the region. Their development reflects a progressive transformation of business culture and a new conception of corporate purpose, in which profit generation is no longer the sole measure of success, giving way to business models that seek to create economic, social, and environmental value simultaneously (Correa & Villalobos, 2025).

Policy Priorities

Priority areas for policymakers, regulators and ecosystem builders

Challenge	Policy Implication
Limited business awareness	Greater dissemination and training are needed to promote understanding of the BIC model
Lack of incentives	Financial, procurement or regulatory incentives could accelerate adoption
Reporting costs	Proportionate reporting mechanisms should facilitate SME participation
Impact measurement	Greater convergence towards recognised international standards is required
Ecosystem development	Stronger cooperation among governments, investors, academia and businesses is essential

2. Conclusions

Benefit and Collective Interest Corporations (BICs) represent one of the most significant innovations in contemporary corporate law in Latin America, as they provide legal recognition to the notion that companies may simultaneously pursue economic, social, and environmental objectives. Their incorporation into various legal systems reflects a progressive transformation of the traditional business paradigm toward governance models focused on sustainability and the creation of shared value. The Latin American experience demonstrates that the consolidation of BIC corporations has followed different trajectories across the region. Countries such as Colombia, Ecuador, and Uruguay have achieved significant progress in building impact-oriented business ecosystems. Within this regional process, the Peruvian regulatory framework constitutes an important advancement by recognizing the possibility for any company to formally incorporate a social and environmental benefit purpose into its corporate structure. Nevertheless, the Peruvian experience also reveals some of the common challenges observed throughout Latin America, including limited awareness of the BIC model, the absence of specific incentives to encourage its adoption, and the difficulties associated with impact measurement and reporting.

The comparative analysis shows that the success of BIC corporations depends not only on the existence of a specific regulatory framework but also on the strengthening of ecosystems that integrate businesses, investors, academic institutions, civil society organizations, and public entities. The development of sustainable financing mechanisms, training programs, accessible measurement standards, and institutional coordination platforms is essential to ensuring the effectiveness of this business model.

Finally, BIC corporations are emerging as a strategic instrument for promoting the impact economy in Latin America. Their development reflects a new understanding of the role of business in society, in which profit generation is no longer the sole indicator of success, giving way to business models committed to collective well-being, environmental protection, and the achievement of the Sustainable Development Goals. In this sense, BIC corporations represent not only a legal innovation but also an opportunity to foster more inclusive, resilient, and sustainable forms of economic development throughout the region.

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The Observatory welcomes collaboration with academic institutions, policymakers, businesses and international organisations committed to the advancement of purpose-driven business.

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