

11th International Anti-Corruption Conference: Workshop 1.5

Presentation Abstract

1. Panelist Name: Ron Berenbeim

2. Workshop Title: 1.5 Corporate Governance and the fight against corruption – Emerging practices

3. Title of case-study or paper: The Business Principles for Countering Bribery - An Initiative of Transparency International and Social Accountability International

Increasingly stringent domestic and international regulatory frameworks are compelling companies to develop new policies or review existing policies aimed at eliminating bribery and corruption. In addition, growing awareness of the risks that bribery can pose to a company's reputation and sustainability, combined with greater public expectation of accountability and probity in the corporate sector have added further impetus to this trend.

To assist companies in addressing the difficult issue of bribery, Transparency International (TI) in partnership with Social Accountability International has facilitated the development of Business Principles for Countering Bribery, a practical tool that provides a comprehensive model of good practice in the area of anti-bribery.

The Business Principles were developed by an international Steering Committee drawn from business, academia, trade unions and NGOs. They are specific to the area of bribery and are therefore in no way expected to replace a full code of conduct but to represent a detailed elaboration of one aspect of a code of conduct.

The two principal tenets of the Business Principles state that:

- **The enterprise shall prohibit bribery in any form whether direct or indirect**
- **The enterprise shall commit to implementation of a Program to counter bribery**

The Business Principles focus on bribery only and not on the broader manifestations of corruption. The working definition of bribery adopted for the purposes of the Business Principles covers abuse of office, breach of trust or illegal acts by an employee or a third party on behalf of the enterprise. Beyond the strict prohibition of bribery, the Business Principles make it a fundamental requirement to implement a Program to counter bribery. The Business Principles provide that this Program can be tailored to the special needs and vulnerabilities of a company and should at the very least cover areas such as bribes, political contributions, charitable contributions and sponsorships, facilitation payments, gifts and hospitality. The Business Principles detail how businesses should apply their Program to business relationships. How the Program should be implemented is outlined and includes the leadership role of the Board of Directors and senior management, development of a culture of anti-bribery among employees, effective communication of the Program to the provision of appropriate training, maintenance and audit of effective internal controls and regular review.

The Business Principles have attempted to strike a balance between a compliance-based approach based on detailed rules and one which rests on clearly articulated values without which companies are to likely to fail in implementing anti-bribery policies and systems.

The Business Principles are pitched at a good rather than best practice level to attract the widest possible acceptance. It is expected, however, that as a "living document", the Business Principles will evolve over time to reflect changes in anti-bribery practice as well as the lessons learned from their use and application by business.

TI has produced a Guidance Document to provide additional background to the Business Principles and practical information for those wishing to implement the Business Principles or to review their own practices.

The Business Principles are now being communicated worldwide through a series of workshops. Future developments are expected to include a range of tools to support the Business Principles.

The full text of the Business Principles can be viewed on the TI web site at <http://www.transparency.org>.