

# Business Integrity and Transparency Principles for the Private Sector

1.

## Prohibition of Bribery

The enterprise shall prohibit bribery in any form.

Bribery is offering, promising or giving, as well as demanding or accepting any pecuniary or other advantage, whether directly or indirectly, in order to obtain, retain or direct business to a particular enterprise or to secure any other improper advantage in the conduct of business.

Instances of bribery which are the subject of these principles may involve transactions by, or in relation to, subsidiaries, joint ventures, agents, representatives, consultants, brokers, contractors, suppliers or employees with (including but not limited to) a public official, family members and close associates of a public official, a political candidate, party or party official, any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), or a third party.

2.

## Program to Counter Bribery

The enterprise, in consultation with employees, should develop a program, reflecting its size, business sector, potential risks and locations of operation, that clearly and in reasonable detail articulates values, policies and procedures to be used to prevent bribery from occurring in all activities under its effective control.

The Program should be consistent with all laws relevant to countering bribery in all the jurisdictions in which the enterprise operates. It should apply to all controlled subsidiaries, foreign and domestic.

3.

## Scope and Guidelines

### a. Charitable Contributions

The enterprise should ensure that charitable contributions and sponsorships are not used as a subterfuge for bribery, and all charitable contributions and sponsorships should be transparent and made in accordance with applicable domestic law.

### b. Gifts, Hospitality and Expenses

The enterprise should prohibit the offer or receipt of gifts, hospitality or expenses whenever such arrangements would be in violation of applicable domestic law.

### c. Facilitation Payments

Recognizing that facilitation payments are prohibited under the anti-bribery laws of most countries, enterprises should eliminate them. Facilitation payments, also called 'facilitating', 'speed' or 'grease' payments are small payments made to secure or expedite the performance of a routine action to which the enterprise is entitled.

4.

### d. Political Contributions

The enterprise, its employees or intermediaries, should not make direct or indirect contributions to political parties, party officials, candidates, organizations or individuals engaged in politics, as a subterfuge for bribery.

All political contributions should be transparent and made only in accordance with applicable law.

The Program should include controls and procedures to ensure that improper political contributions are not made.

## Program Implementation Requirements

### a. Business Relationships

The enterprise should prohibit bribery in all business transactions that are carried out directly or through third parties, specifically including subsidiaries, joint ventures, agents, representatives, consultants, brokers, contractors, suppliers or any other intermediary under its effective control.

### b. Communication

The enterprise should establish effective internal and external communication of the Program.

The enterprise should publicly disclose its Program for countering bribery.

The enterprise should be open to receiving communications from relevant interested parties with respect to the Program.

### c. Leadership

The Board (or equivalent) and the CEO should play a role in the launching of the Program and demonstrate ownership and commitment to the Code and Program.

### d. Financial Recording and Auditing

The enterprise should develop and maintain appropriate financial reporting mechanisms that are accurate and transparent as well as internal mechanisms for monitoring and controlling of the financial reporting system in accordance with internationally recognised accounting standards.

### e. Human Resources

Recruitment, promotion, training, performance evaluation, and recognition should reflect the enterprise's commitment to the Program.

The human resource policies and practices relevant to the Program should be developed and undertaken in consultation with employees, and employee representative bodies, as appropriate.

The enterprise should make clear that compliance with the Program is mandatory and that no employee will suffer demotion, penalty or other adverse consequences for refusing to pay bribes even if it may result in the enterprise losing business.

The enterprise should apply appropriate sanctions for violations of the Program, up to and including termination, in appropriate circumstances.

### f. Monitoring and Review

Senior management of the enterprise should monitor the Program and periodically review the Program's suitability, adequacy and effectiveness and implement improvements as appropriate. They should periodically report to the Audit Committee or the Board the results of the Program review.

The Audit Committee or the Board should make an independent assessment of the adequacy of the Program and disclose its findings in the Annual Report to shareholders.

### g. Raising Concerns and Seeking Guidance

The Program should encourage employees and others to raise concerns and report suspicious circumstances to responsible enterprise officials as early as possible.

To this end, the enterprise should provide secure and accessible channels through which employees and others can raise concerns and report suspicious circumstances ('whistleblowing') in confidence and without risk of reprisal.

These channels should also be available for employees and others to seek advice or suggest improvements to the Program. As part of this process, the enterprise should provide guidance to employees and others on applying the Program's rules and requirements to individual cases.

### h. Training

The enterprise should aim to create and maintain a trust based and inclusive internal culture in which bribery is not tolerated.

Managers, employees and agents should receive specific training on the Program, tailored to relevant needs and circumstances.

Where appropriate, contractors and suppliers should receive training on the Program.

Training activities should be assessed periodically for effectiveness.

### i. Organisation and Responsibilities

The Board (or equivalent) should be satisfied that an effective program has been developed and implemented.

The Board (or equivalent) should also be satisfied that the Program is reviewed for effectiveness and, when shortcomings are identified, that appropriate corrective action is taken.

The Chief Executive Officer (or equivalent) is responsible for seeing that the Program is implemented effectively with clear lines of authority. Depending on the size of the enterprise, consideration should be given to making the day-to-day operation and breaches of the code the role of a senior officer of a company.



# Business Integrity and Transparency Principles for the Private Sector

“Corruption is a serious threat to good governance and deters investment. Therefore, fighting corruption is essential to the development of our economies for the benefit of our people.”

Asia-Pacific Economic Cooperation - Santiago Declaration  
[www.apec.org/apec/leaders\\_\\_declarations/2004.htm](http://www.apec.org/apec/leaders__declarations/2004.htm)

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# APEC Code of Conduct for Business

