

Anti-Corruption Ethics and Compliance Guidelines for Businesses

UNITED
AGAINST
CORRUPTION



Based on “An Anti-Corruption
Ethics
and Compliance Programme
for Business:
A Practical Guide” by UNODC
2013




Foreword

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UNODC
United Nations Office on Drugs and Crime





Corruption is a true enemy to
development.

TSAKHIAGIIN ELBEGDORJ

 SayingImages.com



CORRUPTION



- Major threat to **rule of law** and **sustainable development**
- **Disproportionate, destructive** impact on **poor** and **most vulnerable**
- **Bad** for business



CORRUPTION



- Stifle **economic growth**
- Distort **competition**
- Present serious **legal** and **reputational** risks



CORRUPTION



- Drive away **investors** by acting as hidden “**tax**” or *illegal overhead charge*
- Increasing **costs** for **companies** and **customers**
- **Detrimental** to all businesses — *large and small, multinational and local*



PRIVATE SECTOR ACCOUNTABILITY



- Companies **guard** against corruption
- **Protect** corporate image and interests of **investors, workers and customers**



UN CONVENTION AGAINST CORRUPTION (UNCAC)

- World's **strongest** and most **comprehensive** legal instrument in fight against corruption
- **States Parties** pledged to take measures to **prevent corruption** involving private sector
- Enhance **accounting** and **auditing** standards
- Provide **penalties** for failure to comply



UNCAC



- Recognize States **alone** cannot fight corruption
- **Companies** play critical role as **allies for change**



GUIDELINES

- **UNODC**
- Companies establish **effective** anticorruption ethics and compliance programme



GUIDELINES



- **Common elements** businesses address
- Particular emphasis on **challenges** and **opportunities** for **SMEs**
- Strengthen **collective efforts** to support **fair markets** and **stamp out corruption**

Introduction

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UNCAC



- Neither **governments** nor **companies** can fight corruption alone
- **Private** and **public** sectors **work together**
- **Private sector's engagement** essential to fight against corruption



UNCAC



- Businesses responsibility to act as **good corporate citizens**
- **Fighting corruption** makes good **business sense**
- **Well-executed** anti-corruption ethics and compliance programme yields **greater value** over time



EVOLVING INTERNATIONAL LEGAL FRAMEWORK



- Rapid development of rules of **corporate governance**
- Companies focus on **anti-corruption measures**
- Essential component of mechanisms to protect **reputation** and **interests of investors** and **shareholders**



EVOLVING INTERNATIONAL LEGAL FRAMEWORK

- **Increased costs** due to **corrupt payments**
- Unfavourable **dependencies** between supply and demand side of corrupt act (resulting in continuous extortion requests) or missed **business opportunities** in distorted markets



EVOLVING INTERNATIONAL LEGAL FRAMEWORK



- Corruption **illegal**
- Companies face **serious consequences** for violating law
- Going beyond **legal penalties**
- Strong impact on **reputation**



EVOLVING INTERNATIONAL LEGAL FRAMEWORK



- Countering corruption require more than **complying** with **domestic laws** and avoiding **negative consequences**
- Encouraged to **set themselves apart** from peers



EVOLVING INTERNATIONAL LEGAL FRAMEWORK

- November 2010 **G20** leaders
- **Anti-Corruption Action Plan**
- Closer “**public-private partnerships**” against corruption



2011

- **G20 Anti-Corruption Working Group**
- Acknowledged work by OECD World Bank and UNODC
- “... to bring together **existing guidelines and related material** on private sector anti-corruption compliance in one, easily accessible, location”.



GUIDELINES



- Jointly **developed** by OECD, World Bank and UNODC
- **Consultations** held and **inputs** received from *International Bar Association (IBA)*, *International Chamber of Commerce (ICC)*, *World Economic Forum Partnering against Corruption Initiative (PACI)*, *Transparency International (TI)*, *Basel Institute on Governance*, and *Business and Industry Advisory Committee to OECD (BIAC)*



GUIDELINES



- **Practical considerations** for developing, implementing and continuously improving anti-corruption ethics and compliance programme
- Challenges and opportunities for **small and medium-sized enterprises (SMEs)** emphasized



GUIDELINES

- **Practical information** for companies of all sizes regarding public disclosure of anti-corruption endeavours
- Demonstrate **commitment** to fundamental values of **integrity, transparency** and **accountability**

**VANITY IS A PRINCIPLE OF
CORRUPTION.**

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