



*Addressing Corruption  
from a Private Sector  
Perspective*

March 20, 2014

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## *Agenda*

- I. Key developments for the private sector
- II. Mitigating corruption risk in the private sector
- III. Conclusion

### *Emergence of a multi-polar enforcement landscape*

- **Compliance with the FCPA is no longer sufficient**
- **Rise of non-state regulators (e.g. MDBs)**
- **Increasing cooperation between regulators**
- **Overlapping sources of liability**

### *Possible international standard for anti-corruption compliance*

- **Development of ISO certification currently being discussed**
- **Auditable standard for anti-corruption compliance**
- **Anti-corruption certification as a market differentiator**

### *Focus on Policies, Procedures, Resources, and Technology*

- **Companies are generally aware of their responsibility to prevent corruption**
- **And companies often understand the “business case” for addressing corruption**
- **The challenge is developing specific safeguards to mitigate risk – focus on policies, procedures, resources, and technology**

### *Policies*

- **Clearly articulated code of conduct**
- **Periodic assessment of anti-corruption risks**
- **Assign responsibility for compliance with policies at the senior executive level - set the “tone from the top”**
- **Tailor policies to differing regulatory and cultural environments (e.g. gifts and entertainment)**

### *Procedures*

- **Financial reporting requirements are not a substitute for anti-corruption controls**
- **Establish thorough documentation procedures to ensure robust paper trail**
- **Standardized contracting procedures when dealing with third-parties (and monitor implementation by subsidiaries)**

### *Resources*

- **Limited resources are a reality – companies must be strategic**
- **Invest limited resources in:**
  - Internal investigation capacity
  - Targeted and thorough due diligence
  - Periodic audits of internal anti-corruption policies and procedures

### *Technology*

- **Storing, organizing, and retrieving data**
- **Flagging anomalous transactions and responding to whistleblower complaints**
- **Complying with data privacy laws and document retention policies**

### *Beyond enforcement*

- **The private sector must address corruption risk in a proactive manner**
- **Facilitating and incentivizing the adoption of strong anti-corruption compliance programs will be a key challenge in the coming years**