



- End of corruption**
- **Code of Conduct**
 - **Corporate Compliance Program**
 - **Whistle blowing**

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Proposed Swedish Code of Gifts, Rewards and Benefits in the Business Sector

- Self regulation
- Complement to the criminal law provisions
- Accounting Act or the Foreign Branches Act
- Guidance “with a margin”
- Both to and from other parties
- Preventive measures, partners
- Compliance with the Code → assumption re: no improper benefit
- No compliance with the Code → no automatic assumption re: improper benefit

Aim

- Guidance to companies – fair market practice
- Protect the companies' own interest – no improper benefits (but also protection of brand)
- Fair competition
- Gaining trust for the business community
- High ethical standards – margin to bribery
- Framework – complemented by industry rules

General

- Definitions (agent, other partners, company, public authorities, rewards etc.)
- Scope
 - statutory duty to keep accounts
 - all kinds of benefits including benefits of no economic value
 - affiliates abroad

Improper – NOT ACCEPTABLE - benefits



- Exercise of public authority and public procurement – benefit “with the intention to influence” always prohibited also if aimed at third person
- Other public functions – benefit prohibited if “typically improper”:
 - * value (economic or personal value)
 - * position
 - * character of benefit (relevance)
 - * transparency and aimed at group rather than individual
 - * policy

Warning Flags – “typically improper”



- * high value, frequency
- * public authority, public procurement
- * no professional relevance
- * no professional value
- * invitation (to event) includes spouse
- * targeting
- * lack of transparency
- * lack of proportionality
- * benefit deviates from customary standards
- * benefit initiated/requested by recipient

Benefits which are Prohibited *per se* – public authorities and private companies



- money etc
- loans, collateral, etc for private use
- work, delivery of goods or services for private use
- benefits related to conditions not accepted by employer
- hidden kick backs
- social trips etc

Acceptable Benefits – company to company, if benefit is

- transparent
- moderate
- not typically improper
- not unethical

Warning Flags

- high value or frequency
- private use
- ongoing negotiation with recipient
- targeted recipients (particularly for events etc)
- unknown to recipients principal
- deviates from customary practices

Events company to company, OK if

- not limited crowd
- not ongoing or imminent business negotiation
- professional relevance
- not extravagant (modest)

If unclear.....



- discuss information with the company or fully disclose all information to the company
- forward the benefit to the company

Full transparency is the key

Agents and other partners

- Due Diligence – for example integrity of agents – case by case assessment
- Warning Flags – in depth due diligence needed
 - substantial commission, especially in relation to work performed and agent's business
 - extensive freedom to act on behalf of company
 - advance payment
 - corrupt industry
 - agent requests payment to third party, cash payment or to third country
 - recommendation by public decision maker
 - large and frequent political contributions
 - qualification merely based on substantial influence on certain public decision maker
 - large portion of business



Also check

- agent's anti-corruption policy
- previous history

In case of concerns

- Extended control including
 - owner structure
 - background
 - qualifications
 - technical and financial status

Always



- reasonable payment based on objective criteria
- avoid cash or third country payment
- previous history



- written agreement
- anti-corruption clause

Always Focus on Identifying Risks!

Corporate Compliance Program

Content depends on company size, kind of business, risks

- compliance with the code
- guidelines regarding appropriate gifts to offer and/or accept
- guidelines to help identify and analyze risk
- training guideline
- [guidelines regarding whistle-blowing]
- industry guidelines
- guidelines for affiliates abroad
- guidelines for implementation and review

Whistle blowing

- No regulation suggested in proposed legislation
- Exemption by the Data Protection Board required
 - legitimate interest for the scheme
 - proportionality measures – consequences for individuals
 - normally decision within 4-6 weeks
- Information to Trade Union required
- Increasingly common also in Sweden