

TI'S RECOMMENDATIONS FOR REDUCING BRIBERY

This report has highlighted the extent to which business people believe foreign bribery occurs across major economies and business sectors. Both governments and businesses need to take responsibility. Governments are tasked with installing an effective regulatory framework, preventing as well as criminalising bribery, and, in particular, actively applying this framework through investigation and prosecution of bribery cases.

Governments need to require anti-bribery and anti-corruption standards of suppliers and contractors in public procurement, as well as loans and influencing bodies such as export credit agencies.

Companies also need to act. Business integrity codes are crucial but not enough. Companies must ensure effective implementation of anti-bribery policies and procedures and reporting publicly on the measures they are taking.

The 2011 *Bribe Payers Index* findings confirm and complement Transparency International's extensive research and experience on foreign bribery and support the following recommendations:

RECOMMENDATIONS TO COMPANIES

Strengthen the enforcement, monitoring and reporting of corporate anti-corruption policies and procedures, and transparency commitments:

- Corporate structures should be transparent, including the public and transparent disclosure of all subsidiaries
- Existing anti-corruption and transparency commitments should be verifiable by independent third party monitors
- Company reporting on anti-corruption programmes should meet international standards such as the UN Global Compact - Transparency

International Reporting Guidance on the Compact's 10th Principle (anti-corruption)

- Full details of companies' fields of operations should be published as well as their profit and loss accounts, with transfers made to governments and local communities reported on a country-by-country basis
- Policies and decisions on political contributions should be decided by the company board and in consultation with its shareholders
- Political contributions and lobbying should be included in corporate reporting.

Advance the fight against bribery and ensure integrity across their broader sphere of influence:

- Bribery and corruption risks must be assessed across companies' entire supply chains
- Companies should undertake due diligence, as appropriate, in evaluating prospective contractors and suppliers to ensure that they have effective anti-bribery programmes
- Companies should make known their anti-bribery policies to contractors and suppliers and contractually require equivalent standards
- Companies should join and actively participate in collective anti-corruption initiatives and multi-stakeholder processes at the sectoral level
- Companies should empower whistleblowers who experience or witness bribery and corruption through effective whistleblower policies and procedures.

RECOMMENDATIONS TO GOVERNMENTS

Governments need to take effective action in the fight against international bribery both at the national level and through international groups including the G20, European Union, UN and the OECD.

Strengthen existing anti-bribery legislation:

- All national legislation and international instruments should provide for the prohibition of facilitation payments

- All national legislation should outlaw bribery between firms in the private sector.

Step up the enforcement of existing laws:

- All countries, including Germany, Japan and Saudi Arabia, must ratify the UN Convention against Corruption
- Countries that have demonstrated little or no enforcement of the OECD Anti-bribery Convention must enhance their efforts to investigate and prosecute foreign bribery
- International cooperation between regulators and enforcement agencies needs to be strengthened.