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Organisation internationale de normalisation  
International Organization for Standardization  
Международная Организация по Стандартизации



Our ref. TMB / NWIP

**TO THE ISO MEMBER BODIES**

Date 2012-11-01

**New work item proposal – *Anti-bribery management system - Requirements***

Dear Sir or Madam,

Please find attached a new work item proposal submitted by BSI (United Kingdom) on *Anti-bribery management system - Requirements*. It should be noted that, if the NWIP is approved, the work is proposed to be carried out in a Project Committee.

You are kindly invited to complete the ballot form ([Form 05](#)) which could be downloaded at [www.iso.org/forms](http://www.iso.org/forms) and send it, preferably in Word format, to the Secretariat of the ISO Technical Management Board at [tmb@iso.org](mailto:tmb@iso.org) before **1 February 2013**.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Clivio', with a long, sweeping horizontal stroke underneath.

Sophie Clivio  
Secretary to the Technical Management Board

Encl: NWIP (Form 04)  
BS10500:2011 – Specification for an anti-bribery management system  
Justification Study  
Purpose and justification for NWIP



NEW WORK ITEM PROPOSAL	
Closing date for voting	Reference number (to be given by the Secretariat)
Date of circulation October 2012	ISO/TC     / SC     N
Secretariat BSI	<input checked="" type="checkbox"/> Proposal for new PC

A proposal for a new work item within the scope of an existing committee shall be submitted to the secretariat of that committee with a copy to the Central Secretariat and, in the case of a subcommittee, a copy to the secretariat of the parent technical committee. Proposals not within the scope of an existing committee shall be submitted to the secretariat of the ISO Technical Management Board.

The proposer of a new work item may be a member body of ISO, the secretariat itself, another technical committee or subcommittee, or organization in liaison, the Technical Management Board or one of the advisory groups, or the Secretary-General.

The proposal will be circulated to the P-members of the technical committee or subcommittee for voting, and to the O-members for information.

**IMPORTANT NOTE: Proposals without adequate justification risk rejection or referral to originator.**

Guidelines for proposing and justifying a new work item are contained in Annex C of the ISO/IEC Directives, Part 1.

**Proposal** (to be completed by the proposer)

<p><b>Title of the proposed deliverable.</b> <i>(in the case of an amendment, revision or a new part of an existing document, show the reference number and current title)</i></p> <p>English title     Anti-bribery management system - Requirements</p> <p>French title (if available)</p>
<p><b>Scope of the proposed deliverable.</b></p> <p>The standard will specify a set of requirements to enable an organization to develop and implement a policy and objectives to ensure a robust set of anti-bribery measures are put in place. This Standard will address bribery risks in relation to the organization's activities, which could include the following:</p> <ul style="list-style-type: none"> <li>(a) bribery in public, private and voluntary sectors</li> <li>(b) bribery by the organization or its personnel or others acting on its behalf or for its benefit</li> <li>(c) bribery of the organization or of its personnel or others acting on its behalf or for its benefit</li> <li>(d) direct and indirect bribery (eg a bribe paid or received through a third party)</li> <li>(e) bribery within the country in which the organization is based, and bribery of in other countries in which the organization operates</li> <li>(f) bribery of any value whether large or small</li> <li>(g) bribery involving both cash and non cash advantages.</li> </ul> <p>The intention is that the standard will address only bribery as defined by the laws of the countries in which an organization is based and/ or is operating. It is not intended that it should be applicable to other criminal offences such as fraud, anti-trust and competition offences or money laundering.</p> <p>This Standard will be applicable to all organizations, regardless of type, size and nature of business, and whether in the public, private or voluntary sectors.</p>
<p><b>Purpose and justification of the proposal.</b></p> <p>Please see Annex B</p>
<p><b>If a draft is attached to this proposal,:</b></p> <p>Please select from one of the following options (note that if no option is selected, the default will be the first option):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Draft document will be registered as new project in the committee's work programme (stage 20.00)</li> <li><input checked="" type="checkbox"/> Draft document can be registered as a Working Draft (WD – stage 20.20)</li> <li><input type="checkbox"/> Draft document can be registered as a Committee Draft (CD – stage 30.00)</li> <li><input type="checkbox"/> Draft document can be registered as a Draft International Standard (DIS – stage 40.00)</li> </ul>
<p><b>Is this a Management Systems Standard (MSS)?</b></p> <p><input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No</p>

<b>Indication(s) of the preferred type or types of deliverable(s) to be produced under the proposal.</b> <input checked="" type="checkbox"/> International Standard <input type="checkbox"/> Technical Specification <input type="checkbox"/> Publicly Available Specification <input type="checkbox"/> Technical Report
<b>Proposed development track</b> <input checked="" type="checkbox"/> 1 (24 months) <input type="checkbox"/> 2 (36 months - default) <input type="checkbox"/> 3 (48 months)
<b>Known patented items (see ISO/IEC Directives, Part 1 for important guidance)</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide full information as annex
<p><b>A statement from the proposer as to how the proposed work may relate to or impact on existing work, especially existing ISO and IEC deliverables. The proposer should explain how the work differs from apparently similar work, or explain how duplication and conflict will be minimized.</b></p> <p>There is no current international standard covering the area of anti bribery measures. The proposed standard could complement the content of ISO 26000 on the ethical and responsible behaviour of enterprises: the importance of being seen to tackle bribery being of high reputational impact. As a high level standard, it should not duplicate work done in ISO TC 247 on Fraud countermeasures and controls, which is concerned with technological interventions for security assurance, track and trace devices etc. It should also complement the work of the risk management committee as bribery is a major risks facing enterprise.</p>
<p><b>A listing of relevant existing documents at the international, regional and national levels.</b></p> <p>Relevant documents /conventions include:</p> <p>Standards and other publications</p> <ul style="list-style-type: none"> <li>- BS 10500 Specification for an anti bribery management system</li> <li>- Australian/New Zealand Standard for anti corruption - AS 8001-2008 Fraud and corruption control</li> <li>- ISO 26000 Guidance on social responsibility</li> <li>- Transparency International's Business Principles for Countering Bribery</li> <li>- International Federation of Consulting Engineers (FIDIC) document on Business Integrity Management for Consultancy Services</li> <li>- ISO 27001 Information Security Management</li> </ul> <p>Global and Inter-Regional Level conventions etc</p> <ul style="list-style-type: none"> <li>• United Nations (UN) Convention against Corruption</li> <li>• UN Convention against Transnational Organized Crime</li> <li>• Organisation for Economic Co-operation and Development (OECD) Convention on the Bribery of Foreign Public Officials in International Business Transactions</li> <li>• Revised Recommendations of the Council of the OECD on Combating Bribery in International Business Transactions</li> </ul> <p>Africa - conventions/protocols</p> <ul style="list-style-type: none"> <li>• African Union (AU) Convention on Preventing and Combating Corruption</li> <li>• South African Development Community (SADC) Protocol against Corruption</li> <li>• Economic Community Of West African States (ECOWAS) Protocol on the Fight Against Corruption</li> </ul> <p>Americas - convention</p> <ul style="list-style-type: none"> <li>• The Inter-American Convention Against Corruption</li> </ul> <p>Asia -</p> <ul style="list-style-type: none"> <li>• Asian Development Bank (ADB)-Organisation for Economic Co-operation and Development (OECD) ADB-OECD Action Plan for Asia-Pacific</li> </ul> <p>Europe - conventions etc</p> <ul style="list-style-type: none"> <li>• Council of Europe Criminal Law Convention</li> <li>• Council of Europe Civil Law Convention</li> <li>• Resolution (99) 5 of the Committee of Ministers of the Council of Europe:Agreement Establishing the Group of States against Corruption</li> <li>• Resolution (97) 24 of the Committee of Members of the Council of Europe:Twenty Guiding Principles for the Fight against Corruption</li> <li>• European Union Convention on the Protection of the Communities' Financial Interests and the Fight against Corruption and two Protocols</li> <li>• European Union Convention on the Fight against Corruption involving officials of the European Communities or officials of Member States.</li> </ul>

**A simple and concise statement identifying and describing relevant affected stakeholder categories (including small and medium sized enterprises) and how they will each benefit from or be impacted by the proposed deliverable(s)**

The anti bribery measures described in this standard are scaleable and therefore applicable to all sizes and types of enterprise, both large and SMEs; it is also applicable to both commercial and non-commercial enterprises and public bodies. It is important to note that this issue is cross sectoral and has so far been of interest to those working in oil and gas, mining, pharmaceutical, finance, property, infrastructure projects, engineering, construction, public sector and suppliers to and contractors of these. (NB there has been particular interest from the Anti Corruption Committee of the World Federation of Engineering Organizations in supporting the development of an international anti bribery standard - see Annex B for further details).

**Liaisons:**

**A listing of relevant external international organizations or internal parties (other ISO and/or IEC committees) to be engaged as liaisons in the development of the deliverable(s).**

Please note there are a wide variety of potential liaison organizations, including but not limited to:

The International Federation of Consulting Engineers (FIDIC)

World Federation of Engineering Organizations (WFEO)

Organisation for economic co-operation and development (OECD)

United Nations (UN)

Transparency International

World Bank

**Joint/parallel work:**

**Possible joint/parallel work with:**

☐ IEC (please specify committee ID)

☐ CEN (please specify committee ID)

☐ Other (please specify)

**A listing of relevant countries which are not already P-members of the committee.**

All current members of ISO are potential P members of such a new committee

**Preparatory work** (at a minimum an outline should be included with the proposal)

☐ A draft is attached      ☐ An outline is attached      ☒ An existing document to serve as initial basis

The proposer or the proposer's organization is prepared to undertake the preparatory work required ☐ Yes ☐ No

**Proposed Project Leader** (name and e-mail address)

Mr Neill Stansbury

neill.stansbury@giacentre.org

**Name of the Proposer**

(include contact information)

Amanda Richardson, Head of International Policy, BSI

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**Supplementary information relating to the proposal**

- ☒ This proposal relates to a new ISO document;
- ☐ This proposal relates to the amendment of existing ISO document
- ☐ This proposal is for the revision of an existing ISO document;
- ☐ This proposal relates to the adoption as an active project of an item currently registered as a Preliminary Work Item;
- ☐ This proposal relates to the re-establishment of a cancelled project as an active project.

Other:

**Annex(es) are included with this proposal** (give details)

- ☒ Annex A (BS 10500), Annex B (Purpose and Justification)

BS 10500:2011



BSI Standards Publication

# Specification for an anti-bribery management system (ABMS)

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ISBN 978 0 580 73835 7

ICS 13.310

The following BSI references relate to the work on this standard:

Committee reference CG/1

Draft for comment 11/30245267 DC

**Publication history**

First published November 2011

**Amendments issued since publication**

Date	Text affected
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### **Summary of pages**

This document comprises a front cover, an inside front cover, pages i to ii, pages 1 to 20, an inside back cover and a back cover.

## Foreword

### Publishing information

This British Standard is published by BSI and came into effect on 30 November 2011. It was prepared under the authority of Technical Committee CG/1/1, *Anti-bribery*. A list of organizations represented on this committee can be obtained from <http://standardsdevelopment.bsigroup.com/Home/Committee/50223652> and on request to the committee secretary.

### Information about this document

The objective of this British Standard is to help an organization to implement an effective anti-bribery management system and thereby comply with relevant legislation and good practice.

### Presentational conventions

The provisions of this standard are presented in roman (i.e. upright) type. Its requirements are expressed in sentences in which the principal auxiliary verb is "shall".

*Commentary, explanation and general informative material is presented in smaller italic type, and does not constitute a normative element.*

### Legal considerations

This publication does not purport to include all provisions necessary to prevent bribery. Users are responsible for implementing necessary procedures.

**Compliance with a British Standard cannot confer immunity from legal obligations.**



## Introduction

A commitment to ethical behaviour is a vital part of the corporate governance of a well-managed organization. An anti-bribery policy is an essential component of an organization's business ethics. This ethical commitment helps an organization to enhance its corporate reputation and to avoid potentially corrupt business and the high cost and reputational damage which can result from involvement in corruption.

Bribery is a significant business risk in many countries and sectors. In many cases it has been tolerated as a "necessary" part of doing business. However, increasing awareness of the damage caused by bribery to countries, organizations and individuals has resulted in calls both at international and national level for effective action to be taken to prevent bribery.

Several international conventions have been passed which require signatory countries to criminalize bribery and to take effective steps to prevent and deal with it. Of particular international significance are the United Nations Convention against Corruption [1] and the Organization for Economic Co-operation and Development (OECD) Convention on the Bribery of Foreign Public Officials in International Business Transactions [2].

Most countries have introduced or strengthened anti-bribery legislation which makes it an offence for organizations and individuals to pay or receive bribes. All OECD countries have made it an offence for organizations and individuals from those countries to pay bribes to public officials in other countries.

In the UK, the Bribery Act 2010 [3] has replaced the existing UK bribery laws, and has introduced a new offence of "failure of commercial organizations to prevent bribery". It is a defence to this new offence for the organization to prove that it had in place "adequate procedures" designed to prevent bribery, and this has led to a significant increase in the number of organizations which are implementing anti-bribery management systems.

The implementation of anti-bribery management systems is also taking place within organizations based in other countries which are committed to the enforcement of anti-bribery laws.

This British Standard is intended to help an organization to implement an effective anti-bribery management system. It can be used both in the UK and internationally. The requirements of the Bribery Act 2010 [3] and internationally recognized good practice are taken into account. This standard is applicable to small, medium and large organizations in the public, private and voluntary sectors. The bribery risk facing an organization varies according to factors such as the size of the organization, the countries and sectors in which the organization operates, and the nature, scale and complexity of the organization's operations. Therefore, this standard specifies the implementation by the organization of risk-based policies, procedures and controls.

Compliance with this standard cannot provide assurance that no bribery has occurred or will take place in relation to the organization. However, the standard can help establish that the organization has implemented reasonable and proportionate measures designed to prevent bribery.

## 1 Scope

**1.1** This British Standard specifies requirements for implementing an anti-bribery management system (ABMS), or the anti-bribery element of an overall management system, which addresses the following bribery risks in relation to the organization's activities.

- a) Bribery in the public, private and voluntary sectors.

- b) Bribery by the organization, or by its personnel or others acting on its behalf or for its benefit.
- c) Bribery of the organization, or of its personnel or others acting on its behalf or for its benefit.
- d) Direct and indirect bribery (e.g. a bribe paid or received through or by a third party).
- e) Bribery within the country in which the organization is based, and bribery in other countries in which the organization operates.
- f) Bribery of any value, whether large or small (including facilitation payments).
- g) Bribery involving both cash and non-cash advantages.

**1.2** This British Standard is applicable only to bribery, as defined by the laws applicable to the countries in which the organization is based and/or operating. It is not applicable to other criminal offences such as fraud, anti-trust/competition offences and money laundering, although the organization may choose to extend the scope of its ABMS to include these other offences.

*NOTE 1 Most countries' laws define bribery in slightly different ways. This Standard therefore does not provide its own definition of bribery, but requires that the organization's ABMS is targeted at preventing all types of bribery as defined by laws applicable to the organization.*

*NOTE 2 Annex A gives guidance on the actions an organization can take in implementing an ABMS, while Annex B describes the Plan-Do-Check-Act cycle followed by this and other management system standards.*

**1.3** The requirements of this British Standard are generic and are intended to be applicable to all organizations (or parts thereof), regardless of type, size and nature of business, and whether in the public, private or voluntary sectors. The extent of application of these requirements depends on the factors specified in 3.2.

## 2 Terms and definitions

For the purposes of this British Standard the following terms and definitions apply.

### 2.1 anti-bribery management system (ABMS)

management system, or part of an overall management system, designed to help an organization:

- a) to prevent bribery; and
- b) to detect, report and deal with any bribery which does occur

### 2.2 anti-bribery policy

policy which:

- a) prohibits bribery; and
- b) requires reasonable and proportionate measures to be taken:
  - 1) to prevent bribery; and
  - 2) to detect, report and deal with any bribery which does occur

**2.3 business associate**

any party with whom the organization contracts, including but not limited to clients, customers, joint venture partners, consortium partners, contractors, consultants, sub-contractors, suppliers, vendors, advisors, agents, distributors, representatives and intermediaries (but excluding personnel)

*NOTE Different types of business associate pose different types and degrees of risk, and may therefore be treated differently by the organization's risk assessment and procedures.*

**2.4 compliance declaration**

record of acknowledgement by personnel that they have read the anti-bribery policy and agree to comply with it [see 4.2.3a)]

**2.5 compliance manager**

manager of the organization responsible for implementing the ABMS (see 4.4.2)

**2.6 conflict of interest**

situation where outside business or family connections could interfere with the judgement of personnel in carrying out their duties for the organization

**2.7 facilitation payment**

illegal or unofficial payment made in return for services which the payer is legally entitled to receive without making such payment

*NOTE It is normally a relatively minor payment made to a public official or person with a certifying function in order to secure or expedite the performance of a routine or necessary action, such as a visa, work permit or customs clearance.*

**2.8 implement**

design, develop, introduce, operate, maintain, monitor and continually improve

**2.9 management system**

system to establish policy and objectives and to achieve those objectives

[BS EN ISO 9000:2005]

**2.10 organization**

corporation, company, firm, partnership, enterprise, authority or institution, or part or combination thereof, whether incorporated or not, public, private or voluntary, that has its own functions and administration

*NOTE For organizations with more than one operating unit, a single operating unit may be defined as an organization.*

**2.11 personnel**

organization's directors, officers, employees and temporary staff or workers

**2.12 top management**

person or group of people who direct and control the organization at the highest level

[BS EN ISO 9000:2005]

## **3 Planning**

**3.1 Planning**

The organization shall plan for the adoption of an anti-bribery policy and the implementation of an ABMS by ensuring that the following steps are taken.

a) Allocating responsibility for planning to personnel of appropriate seniority.

- b) Appointing appropriately qualified personnel to conduct a risk assessment to identify what activities or other aspects of the organization's business have bribery risks.
- c) Assessing in what manner and to what extent the ABMS should be implemented by the organization, taking into account the factors in 3.2.
- d) Writing the anti-bribery policy.
- e) Designing or modifying the necessary policies, procedures and controls for the ABMS.
- f) Determining the necessary resources (including funding, personnel, equipment and materials) needed to implement the ABMS.
- g) Preparing an implementation timetable with clearly identified responsibilities and timelines.

### 3.2 Scope of the ABMS

The ABMS to be implemented by the organization shall be reasonable and proportionate having regard to the nature and extent of bribery risks which the organization faces and taking into account the:

- a) size of the organization;
- b) countries and sectors in which the organization operates;
- c) nature, scale and complexity of the organization's activities and operations;
- d) organization's existing and potential business associates; and
- e) applicable statutory, regulatory, contractual and/or professional obligations and duties.

## 4 Adopting an anti-bribery policy and implementing the ABMS

### 4.1 Anti-bribery policy and ABMS

**4.1.1** The organization shall adopt and record an anti-bribery policy.

*NOTE The policy need not be a complex document which lists all the organization's anti-bribery procedures. It may be a brief, simple statement by the organization that it:*

- a) *prohibits bribery; and*
- b) *will implement measures to:*
  - 1) *prevent bribery; and*
  - 2) *detect, report and deal with any bribery which does occur.*

*The detailed policies, procedures and controls designed to achieve b) are contained in the ABMS (see 4.1.2).*

*The policy may be a separate document, or may form part of the organization's policy which deals with other ethical issues.*

**4.1.2** The organization shall implement an ABMS comprising the appropriate policies, procedures and controls specified in 4.2 to 4.18 and Clauses 5 and 6 in a manner which is reasonable and proportionate having regard to the nature and extent of bribery risks which the organization faces, and taking into account the factors in 3.2.

*NOTE 1 It is not possible entirely to eliminate the risk of bribery. No policies, procedures or controls are capable of detecting and preventing all bribery. The ABMS should implement measures designed to prevent bribery taking into account the factors in 3.2.*

*NOTE 2 In implementing the ABMS, the organization does not necessarily need to implement new or stand-alone procedures. Where appropriate, the anti-bribery procedures can form part of the organization's existing procedures (enhanced as necessary).*

*NOTE 3 An ABMS for a major multi-national organization operating in countries or sectors where there is a high risk of bribery is likely to be significantly more extensive and comprehensive than an ABMS adopted by a small organization, or by one which works only in countries or sectors where there is a low risk of bribery.*

**4.1.3** Top management shall take responsibility for the adoption of the anti-bribery policy and the implementation of the ABMS.

## **4.2 Communicating the anti-bribery policy and ABMS**

**4.2.1** Top management shall make a statement that:

- a) the organization has adopted an anti-bribery policy;
- b) the organization is implementing an ABMS to give effect to this policy; and
- c) top management supports the policy and the ABMS.

*NOTE This statement will normally be made by the Chairman, Chief Executive or leader of the organization.*

**4.2.2** The statement in 4.2.1 and the anti-bribery policy shall be communicated to all the organization's personnel, and shall be published on the organization's intranet and public website (if it has these).

**4.2.3** The organization shall implement procedures under which:

- a) all personnel read the anti-bribery policy and agree to comply with it (compliance declaration); and
- b) records are maintained of all personnel who have:
  - 1) received the anti-bribery policy;
  - 2) made the compliance declaration; and
  - 3) not made such a declaration.

## **4.3 Education, training and/or guidance**

The organization shall provide appropriate education, training and/or guidance to all personnel who will be responsible for implementing parts of the ABMS or who could encounter bribery in relation to their duties to make them aware of and understand:

- a) the organization's anti-bribery policy;
- b) the organization's ABMS;
- c) the risk and damage to them and the organization which can result from bribery;
- d) the circumstances in which bribery can occur in relation to their duties, and how to recognize these circumstances;
- e) how and to whom they should report any concerns (see 4.16); and
- f) how they can avoid bribery.

This education, training and/or guidance shall be provided on a repeated or updated basis to all relevant personnel, as appropriate to their roles and any changing circumstances.

#### 4.4 Management responsibility

##### 4.4.1 Day-to-day responsibility for compliance

The organization shall define the levels of responsibility for overseeing compliance with the anti-bribery policy and ABMS on a day-to-day basis.

*NOTE Managers will normally be responsible for overseeing compliance by personnel within their department, function or project.*

##### 4.4.2 Compliance manager

**4.4.2.1** A suitably qualified or experienced manager of appropriate seniority shall be allocated responsibility for overseeing implementation by the organization of the ABMS (compliance manager).

*NOTE This responsibility can be on either a full-time or part-time basis, depending on the size of the organization and the nature and extent of bribery risk which the organization faces. If on a part-time basis, the compliance manager can combine the compliance function with other responsibilities.*

**4.4.2.2** The compliance manager shall:

- a) have direct and prompt access to top management in the event that any issue or concern needs to be raised in relation to the anti-bribery policy or ABMS; and
- b) have the following responsibilities:
  - 1) overseeing implementation of the ABMS by the organization;
  - 2) overseeing compliance by the organization's personnel with the anti-bribery policy and ABMS;
  - 3) ensuring that the anti-bribery policy and ABMS is consistent with good practice, and aids compliance with all relevant laws; and
  - 4) providing advice and guidance to personnel on the anti-bribery policy and ABMS and issues relating to bribery.

*NOTE Having a compliance manager does not absolve other personnel of their responsibilities under the anti-bribery policy and ABMS.*

##### 4.4.3 Multiple organizations

Where the organization comprises more than one independently-managed organization, a suitably qualified or experienced manager shall be appointed within each organization as responsible for overseeing compliance with the anti-bribery policy and ABMS within each organization.

*NOTE 1 For example, a parent company with several subsidiaries.*

*NOTE 2 See Note to 4.4.2.1.*

#### 4.5 Provision of resources

The organization shall provide the resources (including funding, personnel, equipment and materials) needed to implement the ABMS.

#### 4.6 Risk assessment

**4.6.1** The organization shall implement procedures to enable it to assess:

- a) the risk of bribery in relation to its existing and proposed new activities; and

- b) whether its policies, procedures and controls are adequate to reduce those risks to an acceptable level.

**4.6.2** These risk assessments shall:

- a) examine the general bribery risks facing the organization's business;
- b) in relation to specific transactions or projects, examine, as appropriate, the country in which the transaction or project is being, or is to be, undertaken, the business sector, the work type and business model, and the organization's actual or proposed business associates; and
- c) be repeated on an ongoing basis so that changes and new information can be properly assessed.

**4.6.3** The timing and frequency of these risk assessments shall be defined by the organization.

**4.6.4** As part of its risk assessment process, the organization shall undertake due diligence on business associates as specified in **4.7**.

**4.6.5** Where the risk assessment establishes that the organization's existing policies, procedures and controls are not adequate to reduce the assessed risks to an acceptable level, the policies, procedures and controls shall, subject to **4.6.6**, be improved in accordance with Clause 6.

**4.6.6** Where the risk assessment in relation to a specific transaction or project establishes that the policies, procedures and controls, even if improved, are unlikely to be adequate to reduce the assessed risks to an acceptable level, the organization shall:

- a) in the case of an existing transaction or project, take steps appropriate to the risks and nature of the transaction or project to terminate, discontinue or withdraw from the transaction or project as soon as is practicable; and
- b) in the case of a proposed new transaction or project, decline to continue with it.

*NOTE 1 "Acceptable level" means that the risk of bribery appears to be sufficiently low that it is reasonable to allow the transaction or project to proceed or continue.*

*NOTE 2 The purpose of the risk assessment and due diligence (see 4.7) is not to eliminate all possible risk of bribery. The purpose is to identify, after making reasonable and proportionate enquiries and giving the issue appropriate consideration, whether the risk of bribery appears to be sufficiently low that it is reasonable to allow the transaction or project to proceed or continue. The cost of the risk assessment and due diligence should be proportionate to the size of the relevant transaction or project so as to make it cost-effective.*

## **4.7 Due diligence**

**4.7.1** Where the risk assessment shows that a business associate might pose a more than negligible bribery risk, the organization shall implement procedures to undertake due diligence on the business associate prior to entering into any business relationship with it.

**4.7.2** The due diligence shall be repeated at a defined frequency on an ongoing basis during the business relationship so that changes and new information can be properly assessed.

*NOTE 1 See Note 2 to 4.6.6.*

*NOTE 2 "Negligible bribery risk" means that it is very unlikely that the business associate will participate in bribery and, if it does, the consequent loss and damage to the organization is likely to be very low.*



*NOTE 3 An organization may implement several different levels of due diligence according to the assessed risk in relation to business associates, with higher risk business associates requiring a higher level of due diligence.*

*NOTE 4 See A.1 for guidance.*

## 4.8 Implementation of ABMS by controlled organizations and business associates

**4.8.1** The organization shall implement procedures which ensure that all other organizations over which it has control implement an ABMS which is reasonable and proportionate having regard to the nature and extent of bribery risks which the controlled organizations face, taking into account the factors in 3.2.

*NOTE An organization might have control, for example, over a subsidiary, joint venture or consortium, either through exercising management control or through having a majority ownership interest.*

**4.8.2** In relation to business associates over which the organization has no control, and in relation to which the risk assessment has identified a more than negligible bribery risk, the organization shall implement procedures which ensure the following.

- a) Where it is reasonable for the organization to do so, it shall take steps to ensure that its business associate implements an ABMS which includes the relevant business transaction within its scope. This ABMS shall be reasonable and proportionate to the nature and extent of bribery risks relevant to the business transaction, taking into account the following factors.
  - 1) Size of the business transaction.
  - 2) Size and complexity of the business associate.
  - 3) Countries and sectors in which the transaction is taking place.
  - 4) Structure of the transaction.
  - 5) Applicable statutory, regulatory, contractual and/or professional obligations and duties.
  - 6) If the organization is to pay the business associate for the performance of work or services, how those payments will be made and on what basis.
  - 7) Whether the business associate will deal with others on behalf of the organization.

*NOTE 1 In some cases, a business associate may have an ABMS which covers its whole business, including the relevant transaction. In other cases, the business associate may implement an ABMS in relation only to the transaction. While, the former is preferable, the organization may accept the latter situation, as it is unlikely that the organization will have influence over the business associate wider than the relevant transaction.*

*NOTE 2 See Note 2 to 4.7.2.*

- b) Where it is not reasonable for the organization to require the business associate to implement an ABMS, or for the organization to verify the existence or adequacy of the business associate's ABMS, then the absence of an ABMS, or inability to verify the ABMS, is likely to be a negative factor taken into account in undertaking the risk assessment (see 4.6).



## 4.9 Employment procedures

In relation to all personnel who could pose a bribery risk to the organization, and to the extent permitted by applicable law, the organization shall implement procedures which provide that:

- a) potential personnel are vetted before they are employed by the organization to ascertain as far as is reasonable that their employment is appropriate and that they are likely to comply with the anti-bribery policy and ABMS;  
*NOTE See A.2 for guidance.*
- b) conditions of employment require personnel to comply with the anti-bribery policy and ABMS, and give the organization the right to discipline personnel (including the right of termination of employment) in the event of non-compliance;
- c) personnel receive a copy of the anti-bribery policy and make the compliance declaration within a defined period of their employment commencing [see 4.2.3a)];
- d) personnel declare, and the organization maintains a written record of, any actual or potential conflict of interest;
- e) performance bonuses, performance targets and other incentivizing elements of remuneration are reviewed periodically by an appropriate manager to ensure that there are reasonable safeguards to prevent these from encouraging bribery;
- f) the organization has disciplinary procedures which entitle it to take appropriate disciplinary action (including the right of termination of employment) against personnel who breach the anti-bribery policy and ABMS; and
- g) personnel are not penalized (e.g. by demotion, disciplinary action, transfer or dismissal) for refusing to participate in, or for turning down, a business opportunity in respect of which they have reasonably and in good faith judged there to be an unacceptable risk of bribery.

## 4.10 Gifts, hospitality, donations and similar benefits

**4.10.1** The organization shall adopt a policy which prohibits the offer or receipt of items such as the following, where the offer or receipt is, or could reasonably be perceived to be, for the purpose of bribery.

- a) Gifts, entertainment and hospitality.
- b) Political or charitable donations.
- c) Client or public official travel.
- d) Promotional expenses.
- e) Sponsorship.
- f) Community benefits.

*NOTE Any such items intended or likely to affect or impair the independence or judgement of the recipient, or to make the recipient feel obligated, could be perceived to be for the purpose of bribery.*

**4.10.2** The organization shall implement procedures which minimize the risk of the occurrence of any incident prohibited by the policy specified in 4.10.1.

*NOTE See A.3 for guidance.*

#### 4.11 Facilitation payments

The organization shall:

- a) adopt a policy which prohibits the offer or receipt of facilitation payments; and
- b) provide guidance to personnel on what to do if they are faced with a demand for a facilitation payment, or when a facilitation payment has been made.

*NOTE See A.4 for guidance.*

#### 4.12 Delegated decision-making

Where top management delegates to personnel the making of decisions in relation to which there is a risk of bribery, the organization shall establish a decision-making process that ensures that the decision process and the seniority of the decision-maker are appropriate for the value of the transaction and the perceived risk of bribery.

#### 4.13 Anti-bribery contract terms

The organization shall implement procedures which ensure that, in relation to all business associates which pose a more than negligible bribery risk:

- a) as far as is reasonable, all contracts between the organization and the business associate contain a prohibition of bribery; and
- b) where it is not reasonable to require the contracts to contain such prohibition, that the absence of the prohibition will be a negative factor taken into account in undertaking the risk assessment (see 4.6).

*NOTE See Note 2 to 4.7.2.*

#### 4.14 Financial controls

**4.14.1** The organization shall implement financial controls which minimize the risk of the organization, or any of its personnel or others acting on its behalf or for its benefit, paying or receiving a bribe.

*NOTE See A.5 for guidance.*

**4.14.2** The organization shall maintain records that accurately document all financial transactions.

#### 4.15 Procurement and other commercial controls

The organization shall implement procurement and other commercial controls which minimize the risk of the organization, or any of its personnel or others acting on its behalf or for its benefit, paying or receiving a bribe.

*NOTE See A.6 for guidance.*

#### 4.16 Raising concerns

The organization shall implement procedures which:

- a) enable personnel to report attempted, suspected or actual bribery, or any breach of or weakness in the ABMS, to an appropriate person within the organization (either directly or through an appropriate third party);
- b) where requested by personnel, ensure that the organization as far as possible keeps the identity of personnel who make a report confidential (unless the organization is required by law to disclose this information);

- c) allow anonymous reporting (if and to the extent that applicable laws allow this);
- d) protect personnel from retaliation after raising in good faith a concern about actual or suspected bribery or the implementation of the ABMS;
- e) enable personnel to receive advice from an appropriate person on what to do if faced with a concern or situation which could involve bribery;
- f) ensure that all personnel are aware of the reporting procedures;
- g) regularly promote and encourage the use by personnel of the reporting procedures;
- h) include clear guidance and assurance about the following to personnel:
  - 1) on how to raise a concern about attempted, suspected or actual bribery or the implementation of the ABMS;
  - 2) that their reports will be investigated, and will be acted upon where appropriate, and that feedback will be given where appropriate;
  - 3) on how to access independent advice;
  - 4) on how and when they can report to appropriate external authorities;
  - 5) that they will not be at risk of any retaliation from the organization for raising in good faith a concern about suspected or actual bribery or the implementation of the ABMS;
  - 6) that their identity will be protected and kept confidential (unless disclosure of identity is required by law);
  - 7) that it is a disciplinary offence to retaliate against someone who in good faith raises a concern about actual or suspected bribery or the implementation of the ABMS;
  - 8) on their ethical responsibility to report; and
  - 9) on any legal duty to report, and the consequences of any breach of this legal duty.

*NOTE 1 These procedures may be the same as, or form part of, those used for the reporting by personnel of other issues of concern (e.g. safety, malpractice, wrongdoing or other serious risk).*

*NOTE 2 See PAS 1998.*

#### 4.17 Investigating and dealing with bribery

The organization shall implement procedures which:

- a) require appropriate investigation by the organization of any bribery, or any breach of or weakness in the ABMS, which is reported, detected or reasonably suspected; and
- b) require appropriate action in the event that the investigation reveals bribery, or breach of or weakness in the ABMS.

*NOTE Appropriate action could, depending on the severity of the incident, include, for example, disciplining personnel who have breached the anti-bribery policy or ABMS (on a sliding scale of severity from a warning to termination of employment); reporting to the authorities; and improving the ABMS so as to prevent repetition.*

#### 4.18 Documenting the ABMS

The organization shall keep appropriately detailed records of:

- a) the policies, procedures and controls of the ABMS;

- b) actions taken under the ABMS; and
- c) any bribery-related issues which arise.

*NOTE These are likely to include records of matters such as the steps taken to implement the ABMS, risk assessments and due diligence carried out, training provided, gifts, hospitality, donations and similar benefits, given and received, the reasons behind a decision to carry out work in a high risk country, concerns that people have raised, incidents of suspected or actual bribery, investigations and consequent actions.*

## 5 Monitoring and reviewing the ABMS

### 5.1 Review by compliance manager

The compliance manager shall assess on an ongoing basis whether the ABMS is:

- a) adequate to manage effectively the bribery risks faced by the organization; and
- b) being effectively implemented.

The compliance manager shall report at planned intervals to top management, or to a suitable sub-committee of top management, on the adequacy and implementation of the ABMS.

*NOTE The frequency of the report will depend on the organization's requirements, but is recommended to be at least annually.*

### 5.2 Internal audit

**5.2.1** The organization shall implement appropriate and proportionate internal audit processes or other procedures which check projects, contracts, procedures, controls and systems for any indication of:

- a) bribery or suspicion of bribery;
- b) non-compliance with the anti-bribery policy or ABMS;
- c) failure of other organizations over which the organization has control, or of a relevant business associate, to implement an ABMS (see 4.8); and
- d) weaknesses in or scope for improvement to the ABMS.

**5.2.2** These audits shall be conducted at regular, planned intervals.

**5.2.3** The audit programme shall be planned, taking into consideration the risk and importance of the processes and areas to be audited and the results of previous audits.

*NOTE The audits may be on an appropriate sample basis.*

**5.2.4** The responsibility, scope and method for planning and conducting audits, and the requirement for reporting results and maintaining records, shall be defined in a documented procedure.

**5.2.5** Audit reports detailing any significant matters identified, and any recommended corrective actions or improvements, shall be provided to the compliance manager and top management.

**5.2.6** To ensure the objectivity and impartiality of the audit programme, the organization shall so far as is reasonable ensure that the audit is undertaken by:

- a) an independent function or person within the organization established or appointed for this process; or

- b) the compliance manager (unless it is the compliance manager's own actions which are being audited); or
- c) an appropriate person from a department or function other than the one being audited; or
- d) an appropriate third party; or
- e) a group comprising any of a) to d).

The process shall ensure that no auditor is auditing his or her own work.

*NOTE See A.7 for guidance.*

### 5.3 Top management review

**5.3.1** In order to ensure the continuing adequacy and effectiveness of the ABMS, top management or a suitable sub-committee of top management, shall review the scope and implementation of the ABMS. This review shall be carried out:

- a) at regular, planned intervals; and

*NOTE The frequency of the review will depend on the organization's requirements, but is recommended to be at least annually.*

- b) when major changes to the organization's activities or structure take place.

**5.3.2** The review shall be based on:

- a) the compliance manager's assessment and reports (see 5.1);
- b) audits undertaken (see 5.2);
- c) personnel reports (see 4.16); and
- d) breaches/incidents and control weaknesses that have been identified.

**5.3.3** Any potential improvements identified shall be submitted to the improvement process (see Clause 6).

## 6 Improvement of the ABMS

The organization shall implement a procedure for changing or improving the ABMS whenever this is necessary or desirable as a result of the compliance manager review, internal audit or top management review referred to in Clause 5.

All proposed changes and/or improvements shall be assessed by the compliance manager prior to their introduction, and, if appropriate, by top management, to ensure that they do not reduce the effectiveness of the ABMS.

Annex A  
(informative)**Guidance**

*NOTE The guidance in this annex is illustrative only. Its purpose is to indicate in some specific areas the type of actions which an organization may take in implementing its ABMS. It is not intended to be comprehensive. Nor is an organization required to implement the following steps in order to have a compliant ABMS. The actual steps which the organization takes need to be reasonable and proportionate having regard to the nature and extent of bribery risks which the organization faces, taking into account the factors in 3.2.*

*UK users are in particular referred to the guidance issued by the Ministry of Justice [4].*

**A.1 Due diligence**

**A.1.1** The purpose of due diligence on a business associate is to establish whether the business associate poses an unacceptable bribery risk to the organization.

**A.1.2** Issues which the organization might find useful to identify include:

- a) whether and to what extent the business associate has an ABMS;
- b) whether the business associate:
  - 1) has a reputation for bribery;
  - 2) has been investigated, convicted or debarred for bribery;
- c) the identity of the shareholders and top management of the business associate, and whether they:
  - 1) have a reputation for bribery;
  - 2) have been investigated, convicted or debarred for bribery;
  - 3) have any direct or indirect links to the client or government which could lead to bribery.

**A.1.3** The nature, type and extent of due diligence undertaken will depend on factors such as the ability of the organization to obtain information, the cost of obtaining information and the extent of the possible bribery risk posed by the relationship.

**A.1.4** A high-risk business associate in a high-risk country is likely to require a significantly higher level of due diligence than a low risk business associate in a low risk country.

**A.1.5** Particular attention needs to be paid to potentially high-risk business associates who might be in a position to pay a bribe on the organization's behalf (e.g. agents or other intermediaries).

**A.1.6** The due diligence may include, for example:

- a) a questionnaire sent to the business associate in which it is asked to answer the questions referred to in **A.1.2**;
- b) a web search on the business associate and its shareholders and top management to identify any bribery-related negative comment;
- c) making enquiries of appropriate third parties about the business associate's ethical reputation;
- d) assessing the necessity and legitimacy of the services to be provided by the business associate, and whether any payments to be made to it are reasonable and proportionate to those services.

**A.1.7** The business associate can be asked further questions based on the results of the initial due diligence (for example, to explain any adverse comment).

**A.1.8** Due diligence is not a perfect tool. The absence of negative comment does not necessarily mean that the business associate is ethical. Negative comment does not necessarily mean that the business associate is unethical. However, the results need to be carefully assessed and a rational judgement made by the organization based on the facts available to it.

## **A.2 Employment procedures: vetting of personnel**

When vetting its personnel, an organization may take actions such as:

- a) discussing the organization's anti-bribery policy with prospective personnel at interview, and assessing whether they appear to understand and accept the importance of compliance;
- b) taking reasonable steps to verify that personnel's qualifications are accurate;
- c) taking reasonable steps to obtain satisfactory references from personnel's previous employers;
- d) taking reasonable steps to verify that the organization is not employing personnel in return for their having in previous employment improperly favoured the organization; and
- e) ensuring that the purpose of employment of personnel by the organization is not to secure improper favourable treatment for the organization.

## **A.3 Gifts, hospitality, donations and similar benefits**

**A.3.1** In relation to gifts and hospitality, the procedures implemented by the organization could, for example, be designed to:

- a) control the extent and frequency of gifts and hospitality by:
  - 1) a total prohibition on all gifts and hospitality; or
  - 2) permitting gifts and hospitality, but limiting them by reference to such factors as:
    - i) a maximum expenditure (which may vary according to the territory and the type of gift and hospitality);
    - ii) frequency (relatively small gifts and hospitality can accumulate to a large amount if repeated);
    - iii) timing (e.g. not during tender negotiations);
    - iv) reasonableness (taking account of the market and seniority of the giver or receiver);
    - v) identity of recipient (e.g. those in a position to award contracts or approve permits, certificates or payments);
    - vi) reciprocity (no one in the organization can receive a gift or hospitality greater than a value which they are permitted to give);
    - vii) the legal and regulatory environment (some territories and organizations may have prohibitions or controls in place);
- b) require approval in advance of gifts and hospitality above a defined value or frequency by an appropriate manager;
- c) require gifts and hospitality above a defined value or frequency to be effectively documented and transparent (e.g. in a register or accounts ledger).



**A.3.2** In relation to political or charitable donations, sponsorship, promotional expenses and community benefits the procedures implemented by the organization could, for example, be designed to:

- a) avoid payments which are intended to influence, or could reasonably be perceived to influence, a tender or other decision in favour of the organization;
- b) undertake due diligence on the political party, charity or other recipient to ensure that they are not being used as a conduit for bribery;
- c) ensure that an appropriate manager approves the payment;
- d) require public disclosure of the payment;
- e) ensure that the payment is permitted by local law and regulations.

**A.3.3** In relation to client representative or public official travel, the procedures implemented by the organization could, for example, be designed to:

- a) ensure that the travel is necessary for the proper undertaking of the duties of the client representative or public official (e.g. to inspect the organization's quality procedures at its factory);
- b) ensure that the payment is permitted by the procedures of the client or public body, and by local law and regulations;
- c) ensure that an appropriate manager of the organization approves the payment;
- d) ensure that the public official's supervisor or employer is notified of the travel and hospitality to be provided;
- e) restrict payments to the necessary travel, accommodation and meal expenses directly associated with a reasonable travel itinerary;
- f) limit associated entertainment to a reasonable level as per the organization's gifts and hospitality policy;
- g) prohibit paying the expenses of spouses, children of other family members.

#### **A.4 Facilitation payments**

Guidance issued by the organization to its personnel in relation to dealing with facilitation payments could include, for example:

- a) specifying action to be taken by any personnel faced with a demand for a facilitation payment, such as:
  - 1) asking for proof that the payment is legitimate and an official receipt for payment and, if no satisfactory proof is available, refusing to make the payment;
  - 2) making the payment if their life, liberty or personal safety, or that of another, is threatened;
- b) specifying action to be taken by personnel who have made a facilitation payment:
  - 1) making a record of the event;
  - 2) reporting the event to an appropriate manager;
- c) specifying action to be taken by the organization when personnel have made a facilitation payment:
  - 1) appointing an appropriate manager to investigate the event (preferably a manager who is independent from the personnel's department or function);
  - 2) correctly recording the payment in the organization's accounts;



- 3) if appropriate, or if required by law, reporting the payment to the relevant authorities.

## A.5 Financial controls

Depending on the size of the organization and transaction, the financial controls implemented by an organization could include, for example:

- a) implementing a separation of duties, so that the same person cannot both initiate and approve a payment;
- b) appropriate tiered levels of authority for payment approval (so that larger transactions require more senior management approval);
- c) ensuring that the payee's appointment and work or services carried out have been approved by the organization's relevant approval mechanisms;
- d) requiring at least two signatures on payment approvals;
- e) requiring the appropriate supporting documentation to be annexed to payment approvals;
- f) restricting the use of cash;
- g) ensuring that payment categorizations and descriptions in the accounts are accurate and clear;
- h) implementing periodic management review of significant financial transactions;
- i) implementing periodic financial audit.

## A.6 Procurement and other commercial controls

Depending on the size of the organization and transaction, the procurement and other commercial controls implemented by the organization could include, for example:

- a) requiring sub-contractors, suppliers and consultants to undergo a pre-qualification process under which the likelihood of their participating in bribery is assessed to a reasonable degree by an appropriate person; this process is likely to include due diligence of the type specified in 4.7);
- b) awarding contracts, where possible and reasonable, only after a fair competitive tender between at least three competitors;
- c) requiring at least two persons to evaluate the tenders and approve the award of a contract;
- d) implementing a separation of duties, so that personnel who approve the placement of a contract are from a different department or function from those who manage the contract or approve work done under the contract;
- e) requiring the signatures of at least two persons on contracts, and on documents which change the terms of a contract or which approve work undertaken or supplies provided under the contract;
- f) placing a higher level of management oversight on potentially high bribery risk transactions;
- g) protecting the integrity of tenders and other price sensitive information by restricting access to appropriate people.

## A.7 Internal audit

**A.7.1** The frequency of audit will depend on the organization's requirements. It is likely that some sample projects, contracts, procedures, controls and systems will be selected for audit each year.

**A.7.2** The selection of the sample can be risk-based, so that, for example, a high-risk project would be selected for audit in priority to a low-risk project.

**A.7.3** The intention of the audit is to provide reasonable assurance to top management that the ABMS has been implemented and is operating effectively, and to provide a deterrent to any potentially corrupt personnel (as they will be aware that their project or department could be selected for audit).

**Annex B**  
**(informative)**

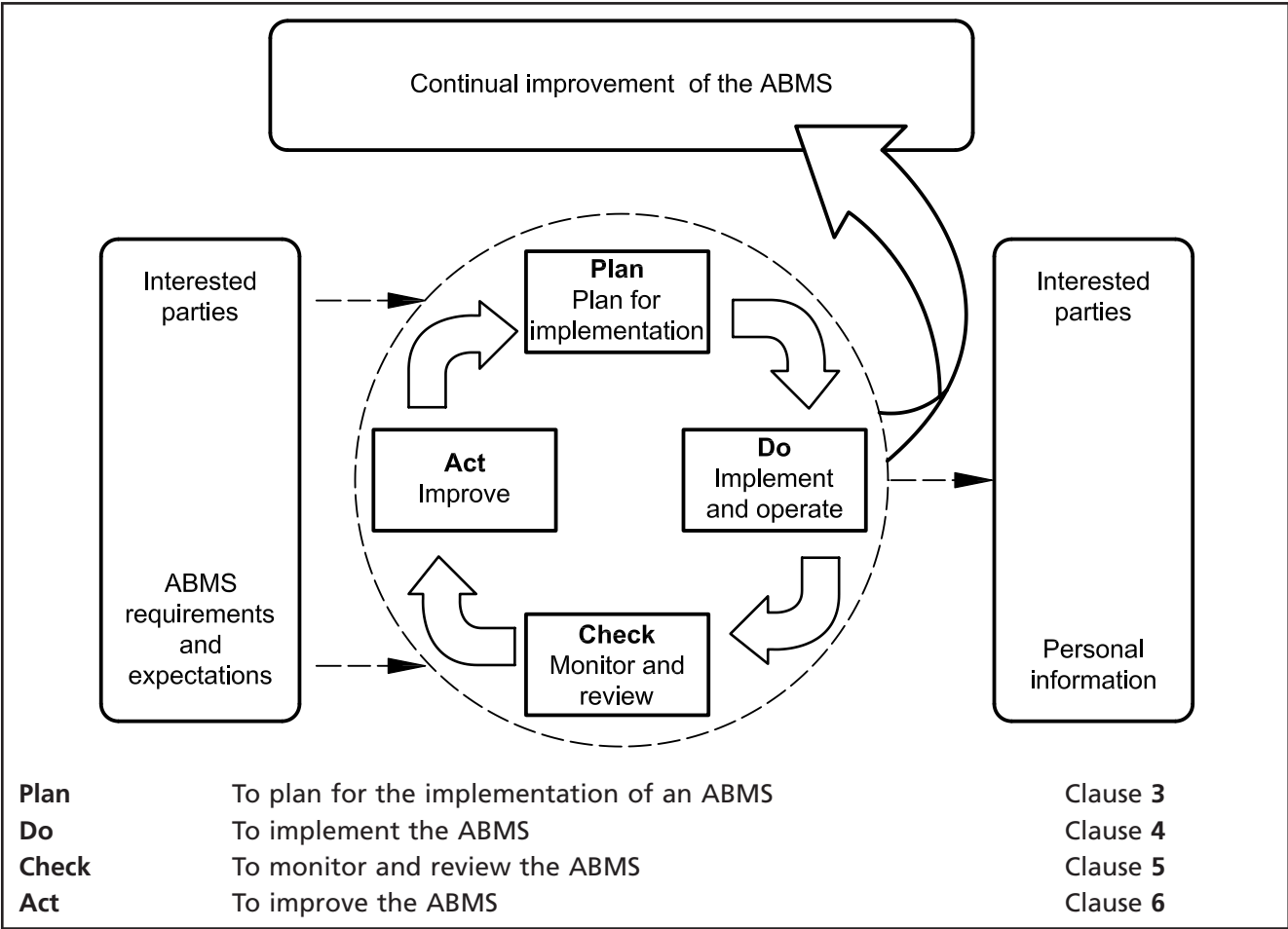
**The Plan-Do-Check-Act (PDCA) cycle**

This British Standard applies the 'Plan-Do-Check-Act' (PDCA) cycle to implement the organization's ABMS. This ensures a degree of consistency with other management system standards, thereby supporting consistent and integrated implementation with related management systems. Other management system standards include:

- BS EN ISO 9001 (Quality Management Systems)
- BS EN ISO 14001 (Environmental Management Systems)
- BS OHSAS 18001 (Health and Safety Management Systems)
- BS ISO/IEC 20000 (IT Service Management)
- BS ISO/IEC 27001 (Information Security Management Systems).

Figure B.1 illustrates how an ABMS takes as inputs the various requirements of this British Standard and, through the necessary actions and processes, produces anti-bribery outcomes that meet those requirements.

Figure B.1 PDCA cycle applied to the anti-bribery management system



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**Annex B****Purpose and Justification for NWIP anti-bribery management system**

Managing bribery risk is currently high on the agenda of numerous organisations worldwide, whether large, medium or small, whether trading in the public, private or voluntary sectors, and whether trading internationally or domestically.

The issue has risen in importance due to a combination of factors:

- the changing legal environment, where most countries criminalise bribery and many prosecute it;
- the increased awareness of the damage caused by corruption to countries, business and individuals;
- the increased focus by organisations on corporate social responsibility; and
- the extreme financial and reputational risk which can be caused to organisations if they are found to be involved in bribery.

Many countries are signatories to international conventions against corruption (see Note 1 for list of conventions) and also have legislation in place to penalize incidents of bribery occurring (e.g. the US Foreign Corrupt Practices Act, the UK Bribery Act).

Effective anti-bribery management procedures can materially help an organisation prevent bribery occurring in relation to its business. In addition, in the event of a prosecution, an organisation can often be assisted in its defence if it can demonstrate to the court that its systems were adequate and that the breach was e.g. a rogue employee rather than a corporate failure. A Standard will, of its nature, help provide this assurance and demonstrate that the organization has an anti-bribery policy and measurements in place.

Bribery prevention is increasingly being seen as equivalent to safety and quality control as a management issue. Both large and SME organizations in many sectors (for example in the infrastructure, engineering and construction sectors), who wish to implement anti-bribery management systems, are likely to be familiar with or already use management systems such as ISO 9001 and ISO 14001 (and OHSAS 18001) and so will look to ISO to provide a similar management system that can be implemented alongside such standards. As with all MSS, there is a need to be able to demonstrate conformity (1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> party) with the International Standards.

The financial costs to organizations of bribery are very high, in terms of money wasted, funds misappropriated, projects undermined and not properly or safely carried out resulting in further funds needing to be allocated or payments in court should wrongdoing be proven; then there are the costs in terms of corporate image and resultant losses as the image of the company is tarnished and business is reduced as a result. In addition, a company convicted of corruption is compulsorily debarred from public sector work in many jurisdictions.

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While a significant amount of guidance already exists on anti-bribery measures, the creation of BS 10500 has resulted in a practical and cost effective system of measuring to an agreed benchmark an organization's anti-bribery practices. If ISO could develop this BS 10500 into an international standard, this would be likely to be very well received by member bodies of ISO and their national members.

BS 10500 was launched in the UK in November 2011, and has already been proven to work. The standard was successfully piloted in early 2012 on four organisations ranging from 15 to 50,000 employees, and in July 2012 the first company in the UK was independently certified to BS 10500.

The Anti-Corruption Standing Committee of the World Federation of Engineering Organizations (WFEO), a non-governmental international organization that brings together national engineering organizations from over 90 nations and represents some 15 million engineers from around the world, passed a resolution last September 2011 supporting BS 10500 and noting that it would support the swift development of this BS into an international standard.

Also of importance are:

- FIDIC, the International Federation of Consulting Engineers which has proposed anti-corruption measures in the form of Business Integrity Management in the Consulting Industry. FIDIC's members are national associations of consulting engineers.
- Transparency International, which has published the Business Principles for Countering Bribery.

The UK also notes the existence of Australia/NZ Standard *AS 8001-2008 Fraud and corruption control*.

The UK is proposing to take the lead on this project and set up a new PC (Project Committee).

### *Note 1*

## **International Conventions against Bribery and Corruption**

### **Global and Inter-Regional Level**

- United Nations (UN): UN Convention against Corruption
- UN Convention against Transnational Organized Crime
- Organisation for European Co-operation and Development (OECD): OECD Convention on the Bribery of Foreign Public Officials in International Business Transactions
- Revised Recommendations of the Council of the OECD on Combating Bribery in International Business Transactions

### **Africa**

- African Union (AU) Convention on Preventing and Combating Corruption
- Southern African Development Community (SADC) Protocol ...making excellence a habit.™



against Corruption

- Economic Community of West African States (ECOWAS) Protocol on the Fight Against Corruption

## **Americas**

- The Inter-American Convention Against Corruption

## **Asia**

- Asian Development Bank – (ADB): ADB-OECD Action Plan for Asia-Pacific

## **Europe**

- Council of Europe Criminal Law Convention
- Council of Europe Civil Law Convention
- Resolution (99) 5 of the Committee of Ministers of the Council of Europe: Agreement Establishing the Group of States against Corruption
- Resolution (97) 24 of the Committee of Members of the Council of Europe: Twenty Guiding Principles for the Fight against Corruption
- European Union Convention on the Protection of the Communities' Financial Interests and the Fight against Corruption and two Protocols
- European Union Convention on the Fight against Corruption involving officials of the European Communities or officials of Member States.

# Justification Study:

Anti Bribery Management

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# Justification study for Anti Bribery Management

## Basic information on the MSS proposal

This is a Justification Study, using the questions in Annex SL, for a new ISO project committee in the field of Anti Bribery Management, and for the adoption/development of the BS 10500 Specification for an Anti bribery management system.

### **1 What is the proposed purpose and scope of the MSS? Is the document supposed to be a guidance document or a document with requirements?**

#### **1.1 Purpose and scope of a Management System Standard (MSS) for anti bribery**

Managing bribery risk is currently high on the agenda of numerous organizations worldwide, whether large, medium or small, whether trading in the public, private or voluntary sectors, and whether trading internationally or domestically.

The issue has risen in importance due to a combination of factors: the changing legal environment, where most countries criminalise bribery and many prosecute it; the increased awareness of the damage caused by corruption to countries, business and individuals; the increased focus by organizations on corporate social responsibility; and the extreme financial and reputational risk which can be caused to organizations if they are found to be involved in bribery.

Many countries are already signatories to international conventions against corruption (see Note 1 for list of conventions) and also have legislation in place to penalize incidents of bribery occurring (e.g. the US Foreign Corrupt Practices Act, the UK Bribery Act).

Effective anti-bribery management procedures can materially help an organization prevent bribery occurring in relation to its business. In addition, in the event of a prosecution, an organization can often be assisted in its defence if it can demonstrate to the court that its systems were adequate and that the breach was e.g. a rogue employee rather than a corporate failure. A Standard will, of its nature, help provide this assurance and demonstrate that the organisation has an anti-bribery policy and measurements in place.

Bribery prevention is increasingly being seen as equivalent to safety and quality control as a management system issue. Both large and SME organizations in many sectors (for example in the infrastructure, engineering and construction sector), who wish to implement anti-bribery management systems, are likely to be familiar with or already use management systems such as ISO 9001 and ISO 14001 (and OHSAS 18001) and so will look to ISO to provide a similar management system that can be implemented alongside such standards. As with all MSS, there is a need to be able to measure and verify - preferably externally - the adequacy of systems implemented.

The financial costs to organizations of bribery are very high, in terms of money wasted, funds misappropriated, projects undermined and not properly or safely carried out resulting in further funds needing to be allocated or payments in court should wrongdoing be proven; then there are the costs in terms of corporate image and resultant losses as the image of the company is tarnished and business is reduced as a result. In addition, a company convicted of corruption is compulsorily debarred from public sector work in many jurisdictions.

While a significant amount of guidance already exists on anti-bribery measures, the creation of BS 10500 has resulted in a practical and cost effective system of measuring to an agreed benchmark an organization's anti-bribery practices. If ISO could develop this BS 10500 into an international standard, this would be likely to be very well received by member bodies of ...making excellence a habit.™

BS 10500 was launched in the UK in November 2011, and has already been proven to work. The standard was successfully piloted in early 2012 on four organizations ranging from 15 to 50,000 employees, and in July 2012 the first company in the UK was independently certified to BS 10500.

## **1.2 Use of management system standards in this field**

In some jurisdictions (e.g. USA, UK), organizations are effectively required to have anti-bribery procedures in place by law (as, if they do not, and a bribery incident occurs, the organization is less likely to have a legal defence). However, apart from the legal reasons, self-regulation and self-declaration are increasingly seen as the best way for enterprises to ensure that their risks in this area are managed effectively and that their peers, suppliers and customers are aware of their commitment to these measures.

Once a requirement to have anti-bribery procedures in place is acknowledged (and, as mentioned, there are many international laws and conventions which organizations either must comply with – as law – or choose to comply with – as signatories), then there follows the need for organizations to verify both internally and to third parties that these systems are being implemented adequately.

## **1.3 Organizations willing to support this work**

The Anti-Corruption Standing Committee of the World Federation of Engineering Organizations (WFEO), a non-governmental international organization that brings together national engineering organizations from over 90 nations and represents some 15 million engineers from around the world, passed a resolution last September supporting BS 10500 and noting that it would support the swift development of this BS into an international standard. The Anti-Corruption Standing Committee of the WFEO would be willing to be a relevant liaison organization in support of the development of this work.

Also FIDIC, the International Federation of Consulting Engineers has proposed anti corruption measures in the form of Business Integrity Management in the Consulting Industry (see attached document from FIDIC). FIDIC's members are national associations of consulting engineers.

While BSI has not formally checked with the following organizations, BSI would expect that organizations such as the UN, OECD, World Bank and Transparency International would be supportive in principle of a standard, as a standard would be overtly compatible with the anti-corruption stance of these organizations.

## **1.4 Proposed Scope**

**BASIC SCOPE:** The standard will provide a set of requirements, following a management systems standards format and structure, for any organization to follow, in order to ensure that it has robust anti-bribery practices and systems in place (see attached BS 10500). **MEASURES INCLUDED IN SPECIFICATION:** These measures currently include, for example, board responsibility, a compliance function, a corporate code, employment procedures, a gifts and hospitality policy, training, financial controls, commercial controls, audit, reporting procedures and enforcement procedures. These measures are scalable to the size of the organisation, and are risk-based to reflect the organisation's bribery risk profile.

## **2 What type of deliverable would this proposed MSS work item result in? (IS)**

It is proposed that this MSS work item would result in an International Standard (IS) with the possibility of one or several sector specific guides being produced as part of ...making excellence a habit.™

the work programme if the project committee deems these necessary once the work on the standard has progressed.

**3 Are there product or service specifications or other forms of guidance related to the products produced by the implementing organization?**

The scope does not include any type of standards for products or services produced or provided by an implementing organisation.

**4 Is there one or more existing ISO committee or non-ISO organization that could logically have responsibility for the proposed MSS? If so, identify.**

No. there is not currently an ISO committee that could logically have responsibility currently, so GB is proposing a new project committee to take on this work.

**5 Have relevant reference materials been identified, such as existing guidelines or established practices?**

Yes. Relevant reference materials have been identified (see NWIP). Also, existing national standard BS 10500 Specification for an anti-bribery management system would form the basis of the submission to the ISO.

**6 Are there technical experts available to support the standardization work? Are the technical experts direct representatives of the affected parties from the different geographical regions?**

Yes. There are technical experts available to support this work both in the UK and in other geographical regions (represented by member bodies of ISO) - the BS 10500 standard was developed with the co-operation of a number of organizations with international concerns and with global enterprises.

However, this would be a new field of activity for ISO, and a call for experts to participate in this work would have to be made (as part of the NWIP process).

**7 What efforts are anticipated as being necessary to develop the document in terms of experts needed and number/duration of meetings?**

At least 20 Experts, and up to 2 meetings per year for up to 3 years will be needed.

However, as BSI is proposing the already successfully functioning BS 10500 as the baseline for the ISO standard, a considerable amount of the necessary work has already been undertaken, which should help simplify and shorten the ISO process.

**8 What is the anticipated completion date?**

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It is anticipated that the International Standard could be fully developed within three years at most, given the experience of developing the national standard. We would estimate a completion date of 3<sup>rd</sup> quarter 2015.

However, as stated in 7, if the members of the ISO committee were to agree to use BS 10500 as the baseline, this should simplify and shorten the ISO process.

## **9 Is the MSS intended to be a guidance document, contractual specification or regulatory specification for an organization?**

A specification document.

### **Principle 1: market relevance**

## **10 Have all the affected parties been identified?**

- a) Organizations of various types and sizes: the decision-makers within an organization who use standards to ensure compliance to business priorities and the legal and regulatory environment. These include public, private and non-profit organisations; large, medium and small organisations; and sections or entities within organizations which may wish to implement an anti-bribery management system.

The decision-makers may include people with responsibility for:

- compliance
  - legal issues
  - governance
  - risk management
  - commercial management
  - financial management
  - human resource management
  - internal audit
  - company/corporate secretary
  - or any manager responsible for the general management of an organisation or for its specific functions or programs.
- b) customers/end-users, i.e. individuals or parties that pay for or use a product or service from an organization; these would be the customers of any organization that is doing business across borders/different jurisdictions/within its own national jurisdiction; these would include both public and private sector customers/end-users.
- c) supplier organizations, e.g. producer, distributor, retailer or vendor of a product, or a provider of a service or information; these would be the suppliers/sub contractors of an organization. For example, in the UK, one large international construction organization has over 30,000 individual sub-contractors and suppliers.
- d) Financing organizations, e.g. organizations providing the financing, guarantees or insurance for businesses, projects or products;

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- e) Prosecution authorities, e.g. organizations which investigate and prosecute bribery;
- f) MSS service provider, e.g. MSS certification bodies, accreditation bodies or consultants: yes
- g) regulatory bodies;
- h) Governmental organizations; e.g. government departments which deal with public sector projects, international trade, business etc.
- i) non-governmental organizations.

Yes, all categories of affected parties in question 10 have been identified, and many participated in the development of BS 10500. Discussions with all identified, relevant stakeholders conclude that there is support for such a standard and no opposition. However, the need to co-ordinate with all stakeholders is recognized.

**11 What is the need for this MSS? Does the need exist at a local, national, regional or global level? Does the need apply to developing countries? Does it apply to developed countries? What is the added value of having an ISO document (e.g. facilitating communication between organizations in different countries)?**

The need exists at local, national, regional and global levels, and in both developed and developing countries.

Giving bribes to obtain a business advantage undermines good governance and sustainable economic development, and distorts competition. For businesses the financial costs of bribery are very high in terms of money wasted, funds misappropriated, and projects undermined and not properly or safely carried out. This results in more money needing to be spent, or payments in court, should wrongdoing be proven. And that is in addition to the heavy costs in terms of reputational damage.

Infrastructure and construction projects can be at particular risk of bribery incidents, but every sector experiences some level of bribery risk. Cross border issues are one of the chief areas of concern/risk for organizations and so having an ISO standard would be of particular benefit to international enterprise.

Organizations increasingly want a means to demonstrate that they have an adequate system to prevent bribery taking place. As with all MSS, there is a need to be able to measure and verify - preferably externally - the adequacy of all systems implemented.

**12 Does the need exist for a number of sectors and is thus generic? If so, which ones? Does the need exist for small, medium or large organizations?**

Yes, it is envisaged that this will be a generic standard for all sectors and all types and sizes of organisation, as is BS 10500.

**13 Is the need important? Will the need continue? If yes, will the target date of completion for the proposed MSS satisfy this need? Are viable alternatives identified?**

With so much international concern about organizations' governance, ethics and social responsibility (cf. *ISO 26000 Guidance on social responsibility*), it is vital for business/enterprise that they can assure their stakeholders of their fitness to trade, both nationally and internationally, and also of their commitment to best practice in taking specific measures against bribery.

Once a requirement to have anti-bribery procedures in place is acknowledged, there then follows the need for companies to verify both internally and to third parties ...making excellence a habit.™

that these systems are being implemented adequately.

The need is ongoing and, although the target date for completion of the ISO is not for 3 years, the existence of the generic ISO 26000 is key to ensuring that enterprises are aware of their responsibilities and national documents, such as BS 10500, will help to provide an alternative until the international standard can be produced.

It is envisaged that the need will be permanently on-going, as is the need for quality, environmental and safety standards.

**14 Describe how the need and importance were determined. List the affected parties consulted and the major geographical or economical regions in which they are located.**

The international and regional anti-corruption conventions listed in the NWIP show that preventing bribery is regarded as an international issue of high importance. In particular, 161 countries are parties to the UN Convention against Corruption.

Evidence from international infrastructure, construction and engineering companies is very clear and can be found in documents/resolutions from the World Federation of Engineering Organizations (WFEO) and from the Federation of International Consulting Engineers (FIDIC) (see relevant documents in NWIP).

In particular, the Anti-Corruption Standing Committee of the World Federation of Engineering Organizations (WFEO), a non-governmental international organization that brings together national engineering organizations from over 90 nations and represents some 15 million engineers from around the world, passed a resolution last September supporting BS 10500 and noting that it would support the swift development of this BS into an international standard. This illustrates the wide international support for such a standard.

**15 Is there known or expected support for the proposed MSS? List those bodies that have indicated support. Is there known or expected opposition to the proposed MSS? List those bodies that have indicated opposition.**

Yes. We expect to have support from the World Federation of Engineering Organizations which represents 90 nations and up to 15 million engineers worldwide.

The UK government has been supportive of the development of BS 10500 (the Department of Business, Innovation and Skills has also supported the development of some case studies for the UK public to show how organizations of different types and sizes have used and judged the standard) and is now supportive of the standard being developed internationally.

While BSI has not formally checked with the following organizations, BSI would expect that organizations such as the UN, OECD, World Bank and Transparency International would be supportive in principle of a standard, as a standard would be overtly compatible with the anti-corruption stance of these organizations.

The UK has not been aware of any opposition to this proposal.

**16 What are the expected benefits and costs to organizations, differentiated for small, medium and large organizations if applicable? Describe how the benefits**  
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**and the costs were determined. Provide available information on geographic or economic focus, industry sector and size of the organization. Provide information on the sources consulted and their basis (e.g. proven practices), premises, assumptions and conditions (e.g. speculative or theoretical), and other pertinent information.**

The principle benefits to organizations are as follows:

- Anti-Bribery is currently high on the agenda in boardrooms internationally
- Anti-bribery is particularly topical as a result of, for example, the UN convention and OECD convention.
- Business is, often by legal necessity but also by peer expectations, required to have anti-bribery procedures in place.
- Once a requirement to have anti-bribery procedures in place is acknowledged, then there follows the need for companies to verify both internally and to third parties that these systems are being implemented adequately.
  - The Board will want internal assurance.
  - Public sector bodies and purchasing corporations will want assurance that their contractors and suppliers have implemented systems.
  - In the event of a prosecution, companies will need to demonstrate to the court that its systems were adequate and that the breach was e.g. a rogue employee rather than a corporate failure. A Standard will, of its nature, help provide this assurance.
  - a Standard does not guarantee compliance – but it does help show that the organisation has a compliance policy in place.
- Bribery prevention is increasingly being seen as equivalent to safety and quality control as a management system issue at Board level. Therefore, as with all, MSS there is a need to be able to measure and verify - preferably externally - the adequacy of systems. While a significant amount of guidance already exists on anti-bribery measures, the creation of BS 10500 has resulted in a practical and cost effective system of measuring to an agreed benchmark an organization's anti-bribery practices.
- The financial costs to organizations of bribery are very high, in terms of money wasted, funds misappropriated, projects undermined and not properly or safely carried out resulting in further funds needing to be allocated or payments in court should wrongdoing be proven; then there are the costs in terms of corporate image and resultant losses as the image of the company is tarnished and business is reduced as a result. In addition, a company convicted of corruption is compulsorily debarred from public sector work.
- It is of great social and economic benefit to help set a benchmark for good behaviours and practices in the wider swathe of international industry, not just in larger organizations with access to ready legal advice.
- Support is needed for SMEs in their endeavours to operate at the highest levels of enterprise internationally, enabling them to apply for high value contracts in Government and other fields, due in part to their preparedness as ethical and well-governed organizations.
- The risk of corruption and the importance of preventing corruption, is applicable to all organisations, regardless of their size and where they operate.

## **17 What are the expected benefits and costs to other**

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**affected parties (including developing countries)? Describe how the benefits and the costs were determined. Provide any information regarding the affected parties indicated.**

The costs that other affected parties experience would be lower using the proposed ISO standard than they would be in developing and implementing their own standards, which would add additional development, implementation and training costs in addition to the costs their industries would pay for not complying with a major international anti-bribery management system standard.

Additionally, many infrastructure owners and managers are now multinational organizations and a single common international standard would significantly reduce their costs for demonstrating good practice in anti-bribery management.

The affected parties would benefit through:

- the establishment of a central focal point (ISO) for a worldwide body of knowledge
- the sharing of best practice
- the establishment of peer review and other monitoring systems to ensure that the provision of training, certification and accreditation services are of a reasonable standard and are universally applied.
- the establishment of a formal complaints handling processes by the certification and accreditation bodies.

Informal data concerning the benefits and costs has been determined from the feedback of participants in the 2011 development of the BS10500 standard and from users of the standard so far. The case study subjects felt that the standard:

- a) offers very positive support and guidance for their organizations in providing a system for implementing measures for anti-bribery
- b) is scalable to different sizes and types of organization
- c) is clear and intelligible
- d) can be implemented in a cost effective way
- e) provides assurance for employees as well as customers and suppliers.

Additionally, the participation of multinational organizations in the development of the BS, and its growing international use, indicates the current lack of availability of such a standard in many countries, which would require them to individually bear the development costs of national equivalents. The adoption of an ISO would remove the need for the development of these national equivalents.

## **18 What will be the expected value to society?**

In some territories, sectors and regulatory regimes this will become a “must have” standard; for others it will be a “should have”, with early adopters likely to be, or become, market leaders in their sector.

The standard should deliver significant value and performance improvements to users, including better risk management, transparency, consistency and sustainability.

It is also recognised as a useful tool by regulators in the UK to clarify expectations and improve consensus on requirements for good governance and the optimal way forward in the face of conflicting requirements (such as short term versus long term goals, cost control, service delivery and risk management).

For infrastructure organizations and their suppliers, a joined-up, optimized and sustainable management system is essential as a means of assuring both internal and external stakeholders that they are  
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managing their business appropriately and with the expected integrity.

This is an increasingly important requirement in the current climate of concern over good governance and ethical behaviours of commercial enterprise, investment concerns, long term societal expectations, legislative constraints, and customer and supplier demands.

Ultimately, if a large number of organisations adopt the standard, the resultant reduction in bribery will be for the overall benefit of society.

**19 Have any other risks been identified (e.g. timeliness or unintended consequences to a specific business)?**

No other risks have been identified, apart from the need to develop an international standard swiftly for the use of international enterprise, but the timeframes suggested (i.e. completion by 3<sup>rd</sup> quarter 2015) should allow for time for organizations to begin to consider how to prepare and implement anti-bribery measures which can be validated in the future.

**Principle 2: compatibility**

**20 Is there potential overlap or conflict with other existing or planned ISO or non-ISO international standards, or those at the national or regional level? Are there other public or private actions, guidance, requirements and regulations that seek to address the identified need, such as technical papers, proven practices, academic or professional studies, or any other body of knowledge?**

There is no known conflict or overlap with other ISO or non-ISO international standards, or standards at the national or regional level, except, as noted, with the existing British Standard 10500 for anti-bribery management systems, which is the proposed draft for consideration by the ISO. Also to be noted is the the Australian/New Zealand Standard for anti-corruption - *AS 8001-2008 Fraud and corruption control*.

There is a significant body of knowledge and practice concerning bribery and systems and measures for preventing it, as noted above concerning international conventions, national laws, and international organizations which specifically campaign and advise about anti-bribery measures (such as Transparency International and the Global Infrastructure Anti-Corruption Centre). The standard is compatible with these conventions, laws and guidance, and with generally recognised international best practice.

**21 Is the MSS or the related conformity assessment activities (e.g. audits, certifications) likely to add to, replace all or parts of, harmonize and simplify, duplicate or repeat, conflict with, or detract from the existing activities identified above? What steps are being considered to ensure compatibility, resolve conflict or avoid duplication?**

The proposed MSS will replace the current BS 10500, which is a specific anti-bribery system standard, though it is not expected to replace any other national standards.

Regulators in various countries are expected to support (as the British government has with BS 10500) any measure to assist organizations with putting in place adequate measures against bribery.

GB feels that the reason for proposing one single international standard in this field is to ensure that there is a single point of focus for all organizations operating internationally, so it is very important to develop this standard within the framework of ISO, in order to ensure the standard's credibility and to involve as many participating member bodies of ISO as possible in the development of this standard to ensure compatibility with their own measures (and, potentially, ...making excellence a habit.™

**22 Is the proposed MSS likely to promote or stem proliferation of MSS at the national or regional level, or by industry sectors?**

As per the answer in point 21, the proposed MSS is likely to stem proliferation of MSS at national/regional levels and, as it is a generic and scalable standard, it will also prevent the same thing occurring within different industry sectors (although there is, as has been mentioned above, the possibility of developing sector guidance to the standard, if it is felt that this is needed).

**Principle 3: topic coverage**

**23 Is the MSS for a single specific sector?**

No. It is a generic standard for use by all sizes and types of organizations and sectors.

**24 Will the MSS reference or incorporate an existing, non-industry-specific ISO MSS (e.g. from the ISO 9000 series of quality management standards)? If yes, will the development of the MSS conform to the ISO/IEC Sector Policy (see 6.8.2 of ISO/IEC Directives, Part 2), and any other relevant policy and guidance procedures (e.g. those that may be made available by a relevant ISO committee)?**

The standard will reference non-industry-specific ISO MSS, e.g. on quality management (ISO 9001) and environmental management (ISO 14001), and will follow relevant policy and guidance procedures

**25 What steps have been taken to remove or minimize the need for particular sector-specific deviations from a generic MSS?**

The development of BS 10500 from BSI was led by organizations with national and international recognition in the field of anti-bribery (such as GIACC, Institute of Business Ethics, UK Anti-Corruption Forum as well as large multinational industries and organizations in pharma, construction, oil and gas, finance). In addition, the standard was put out to national public consultation, and the consultation comments were taken into account in the final version.

These organizations have international reach and concerns, and also international partners, and a wide range of sector experts were also involved in the development of the BS 10500.

This was specifically in order to try and accommodate their particular requirements within the generic standard, and to try and prevent the need for sector specific documents. Also the standard was written in management language with a minimum of technical jargon or terminology, to widen its adoption across all sectors.

**Principle 4: flexibility**

**26 Will the MSS allow an organization competitively to add to, differentiate or encourage innovation of its management system beyond the standard?**

It will allow an organization to expand the systems measures as applicable to the complexity/maturity of its business and also the sector in which it operates.

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## Principle 5: free trade

### **27 How would the MSS facilitate or impact global trade? Could the MSS create or prevent a technical barrier to trade?**

By reducing the number of different corporate, national, or regional anti-bribery management system programmes, the proposed standard will facilitate global trade, and will remove technical barriers to trade.

### **28 Could the MSS create or prevent a technical barrier to trade for small, medium or large organizations?**

The proposed standard will prevent technical barriers to trade for all sizes of organization.

### **29 Could the MSS create or prevent a technical barrier to trade for developing or developed countries?**

The proposed standard will prevent technical barriers to trade for both developing and developed countries. Strong global support exists for implementing this standard.

### **30 If the proposed MSS is intended to be used in government regulations, is it likely to add to, duplicate, replace, enhance or support existing governmental regulations?**

The proposed Standard may enhance or support existing governmental regulations.

## Principle 6: applicability of conformity

### **31 If the intended use is for contractual or regulatory purposes, what are the potential methods to demonstrate conformance (e.g. first party, second party or third party)? Does the MSS enable organizations to be flexible in choosing the method of demonstrating conformance, and to accommodate for changes in its operations, management, physical locations and equipment?**

Conformance to the proposed standard may be demonstrated either through first, second or third party assessment systems, such as self-assessment programmes, internal or external audits, or third party certification. The standard would allow organizations to be flexible in choosing their methods of demonstrating conformance, and would be able to accommodate changes in operations, management, physical locations and equipment.

### **32 If third-party registration/certification is a potential option, what are the anticipated benefits and costs to the organization? Will the MSS facilitate joint audits with other management system standards or promote parallel assessments?**

For the proposed standard, the primary benefits of third party certification include:

- increased interested party confidence, due to the ...making excellence a habit.™



independence of the certification audits

- reductions in second party audits, leading to cost savings
- improved business communications to interested parties, as more organizations become familiar with the Requirements standard
- improved efficiency as the use of the standard becomes more popular, e.g. through the provision of standardized auditor training courses, the availability of knowledgeable and experienced consultants, a diversity of certification bodies etc.

The costs of third-party registration/certification include:

- employee training
- audit preparation costs
- audit costs
- registration fees.

The liaison arrangements between the new Project Committee and other ISO and IEC technical committees, or other external organizations, and the new common structure and terminology for MSS as set out in Annex SL, will ensure that proposed standard is fully compatible/aligned with as many other MSS as possible, to enable joint audits wherever possible.

### **Principle 7: exclusions**

**33 Does the proposed purpose or scope include product (including service) specifications, product test methods, product performance levels, or other forms of guidance or requirements directly related to products produced or provided by the implementing organization?**

The standard only focuses on issues related to anti-bribery management and does not include product specifications, product test methods, product performance levels, or other forms of guidance or requirements directly related to products produced or provided by the implementing organization.

THESE ARE THE QUESTIONS THAT HAVE BEEN ANSWERED IN THE JUSTIFICATION/PROPOSAL ABOVE

### Basic information on the MSS proposal

1	What is the proposed purpose and scope of the MSS? Is the document supposed to be a guidance document or a document with requirements?
2	Would the proposed MSS work item result in an International Standard (IS), an ISO/(IEC) Guide, a Technical Specification (TS), a Technical Report (TR), a Publicly Available Specification (PAS), or an International Workshop Agreement (IWA)?
3	Does the proposed purpose or scope include product (including service) specifications, product test methods, product performance levels, or other forms of guidance or requirements directly related to products produced or provided by the implementing organization?
4	Is there one or more existing ISO committee or non-ISO organization that could logically have responsibility for the proposed MSS? If so, identify.
5	Have relevant reference materials been identified, such as existing guidelines or established practices?
6	Are there technical experts available to support the standardization work? Are the technical experts direct representatives of the affected parties from the different geographical regions?
7	What efforts are anticipated as being necessary to develop the document in terms of experts needed and number/duration of meetings?
8	What is the anticipated completion date?
9	Is the MSS intended to be a guidance document, contractual specification or regulatory specification for an organization?

### Principle 1: market relevance

10	<p>Have all the affected parties been identified? For example:</p> <ul style="list-style-type: none"> <li>a) organizations (of various types and sizes): the decision-makers within an organization who approve work to implement and achieve conformance to the MSS;</li> <li>b) customers/end-users, i.e. individuals or parties that pay for or use a product (including service) from an organization;</li> <li>c) supplier organizations, e.g. producer, distributor, retailer or vendor of a product, or a provider of a service or information;</li> <li>d) MSS service provider, e.g. MSS certification bodies, accreditation bodies or consultants;</li> <li>e) regulatory bodies;</li> <li>f) non-governmental organizations.</li> </ul>
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11	What is the need for this MSS? Does the need exist at a local, national, regional or global level? Does the need apply to developing countries? Does it apply to developed countries? What is the added value of having an ISO document (e.g. facilitating communication between organizations in different countries)?
12	Does the need exist for a number of sectors and is thus generic? If so, which ones? Does the need exist for small, medium or large organizations?
13	Is the need important? Will the need continue? If yes, will the target date of completion for the proposed MSS satisfy this need? Are viable alternatives identified?
14	Describe how the need and importance were determined. List the affected parties consulted and the major geographical or economical regions in which they are located.
15	Is there known or expected support for the proposed MSS? List those bodies that have indicated support. Is there known or expected opposition to the proposed MSS? List those bodies that have indicated opposition.
16	What are the expected benefits and costs to organizations, differentiated for small, medium and large organizations if applicable?  Describe how the benefits and the costs were determined. Provide available information on geographic or economic focus, industry sector and size of the organization. Provide information on the sources consulted and their basis (e.g. proven practices), premises, assumptions and conditions (e.g. speculative or theoretical), and other pertinent information.
17	What are the expected benefits and costs to other affected parties (including developing countries)?  Describe how the benefits and the costs were determined. Provide any information regarding the affected parties indicated.
18	What will be the expected value to society?
19	Have any other risks been identified (e.g. timeliness or unintended consequences to a specific business)?

**Principle 2: compatibility**

20	Is there potential overlap or conflict with other existing or planned ISO or non-ISO international standards, or those at the national or regional level? Are there other public or private actions, guidance, requirements and regulations that seek to address the identified need, such as technical papers, proven practices, academic or professional studies, or any other body of knowledge?
21	Is the MSS or the related conformity assessment activities (e.g. audits, certifications) likely to add to, replace all or parts of, harmonize and simplify, duplicate or repeat, conflict with, or detract from the existing activities identified above? What steps are being considered to ensure compatibility, making excellence a habit.™

	avoid duplication?
22	Is the proposed MSS likely to promote or stem proliferation of MSS at the national or regional level, or by industry sectors?

### Principle 3: topic coverage

23	Is the MSS for a single specific sector?
24	Will the MSS reference or incorporate an existing, non-industry-specific ISO MSS (e.g. from the ISO 9000 series of quality management standards)? If yes, will the development of the MSS conform to the ISO/IEC Sector Policy (see 6.8.2 of ISO/IEC Directives, Part 2), and any other relevant policy and guidance procedures (e.g. those that may be made available by a relevant ISO committee)?
25	What steps have been taken to remove or minimize the need for particular sector-specific deviations from a generic MSS?

### Principle 4: flexibility

26	Will the MSS allow an organization competitively to add to, differentiate or encourage innovation of its management system beyond the standard?
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### Principle 5: free trade

27	How would the MSS facilitate or impact global trade? Could the MSS create or prevent a technical barrier to trade?
28	Could the MSS create or prevent a technical barrier to trade for small, medium or large organizations?
29	Could the MSS create or prevent a technical barrier to trade for developing or developed countries?
30	If the proposed MSS is intended to be used in government regulations, is it likely to add to, duplicate, replace, enhance or support existing governmental regulations?

### Principle 6: applicability of conformity

31	If the intended use is for contractual or regulatory purposes, what are the potential methods to demonstrate conformance (e.g. first party, second party or third party)? Does the MSS enable organizations to be flexible in choosing the method of demonstrating conformance, and to accommodate for changes in its operations, management, physical locations and equipment?
32	If third-party registration/certification is a potential option, what are the anticipated benefits and costs to the organization? Will the MSS facilitate joint audits with other management system standards or promote parallel assessments?

33	Does the proposed purpose or scope include product (including service) specifications, product test methods, product performance levels, or other forms of guidance or requirements directly related to products produced or provided by the implementing organization?
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*Note 1*

## **International Conventions against Bribery and Corruption**

### **Global and Inter-Regional Level**

- United Nations (UN): UN Convention against Corruption
- UN Convention against Transnational Organized Crime
- Organisation for European Co-operation and Development (OECD): OECD Convention on the Bribery of Foreign Public Officials in International Business Transactions
- Revised Recommendations of the Council of the OECD on Combating Bribery in International Business Transactions

### **Africa**

- African Union (AU) Convention on Preventing and Combating Corruption
- Southern African Development Community (SADC) Protocol against Corruption
- Economic Community of West African States (ECOWAS) Protocol on the Fight Against Corruption

### **Americas**

- The Inter-American Convention Against Corruption

### **Asia**

- Asian Development Bank – (ADB): ADB-OECD Action Plan for Asia-Pacific

### **Europe**

- Council of Europe Criminal Law Convention
- Council of Europe Civil Law Convention
- Resolution (99) 5 of the Committee of Ministers of the Council of Europe: Agreement Establishing the Group of States against Corruption
- Resolution (97) 24 of the Committee of Members of the Council of Europe: Twenty Guiding Principles for the Fight against Corruption
- European Union Convention on the Protection of the Communities' Financial Interests and the Fight against Corruption and two Protocols
- European Union Convention on the Fight against Corruption involving officials of the European Communities or officials of Member States.