

# Why gifts and hospitality are a compliance risk

**Whether it's a basket of muffins or a bouquet of sports tickets, a standard airplane fair or a luxury get-away, corporate gifts and hospitality are both a fundamental aspect of doing business, and a significant compliance risk for any business.**

The appearance of impropriety is one of the hardest compliance challenges to combat. When it comes to gifts and hospitality, even modest tokens could cause problems if given at the wrong time or to the wrong person. Gifts given to public officials could even cause significant regulatory breaches.

The complexity of legislation is another issue for global organisations. What's accepted practice in one country can be unlawful in another. Some laws, like the UK's Bribery Act, criminalise behaviour anywhere in the world, while since 2025, the US has stopped enforcing its own anti-bribery law, the FCPA. Legislation is evolving and complex, and organisations need a comprehensive gifts and hospitality solution to protect themselves from contractual breaches, regulatory investigations, fines, reputational damage, or worse.

Recognising these challenges, most large organisations have implemented policies to regulate gifts and hospitality. However, key questions remain: How do acceptable practices differ among jurisdictions? How should gifts and hospitality be tracked and what threshold should reporting be triggered? How can businesses ensure employees understand and adhere to the rules? And, when needed, how can organisations demonstrate compliance to regulators and investigators?



# Key legislation on gifts and hospitality

## United Kingdom – The Bribery Act 2010

Bribery includes offering, giving, or receiving any benefit (cash or kind) to influence decision-making.

A strict **corporate offence** exists for failing to prevent bribery, making companies liable for bribery by employees or contractors.

Gifts and hospitality are considered bribery if they intend to secure improper business advantages.

Companies must have **adequate procedures** (e.g., policies, training, and detection measures) to prevent bribery.

## United States – The Foreign Corrupt Practices Act (FCPA)

Prohibits bribery of foreign officials, including offering gifts or hospitality, with the intent to secure business advantages.

Covers both **US and foreign entities** operating within US jurisdiction.

Any form of bribery (cash, gifts, travel, entertainment) is illegal if intended to influence officials.

No minimum threshold for corrupt payments or gifts. **Bona fide expenditures** (e.g., promotional items, small gifts) are allowed if they have no corrupt intent.

Companies must have strong compliance programs to prevent bribery.

## Argentina

Illegal to give gifts to public officials.

Bribery between private entities is **not a criminal offence** but can still pose reputational risks. Foreign businesses operating in Argentina are subject to bribery laws.

Companies operating in Argentina can defend themselves if they have a robust compliance program, which must include a code of ethics, rules for public-sector interactions, staff training, risk analysis, whistleblower protection, and more.

## Australia

Federal law mainly targets bribery of **public officials**, while **state laws** cover both public and private bribery.

**Facilitation payments** (small payments for minor government actions) may be a defence in Australia.

Companies need **comprehensive training and compliance programs** due to frequent law changes.

## China

No single bribery law; anti-bribery offences are covered in multiple statutes.

Covers both **public sector and private sector bribery** (commercial bribery).

Bribery is defined as offering money or property **with corrupt intent** to obtain improper benefits.

Strict penalties for bribery, and even **execution has been used** in severe cases.

Businesses cannot offer gifts, money, or advantages to individuals who can influence a transaction.

## United Arab Emirates

Corporate hospitality could be considered bribery if it is given with the intent to induce corrupt conduct.

Self-reporting: A briber or intermediary who voluntarily reports a bribery offence before it is discovered may be exempt from penalties.

Businesses operating in Dubai and Abu Dhabi should be especially cautious with corporate gifts and hospitality to avoid compliance risks.





# The EU plan for anti-bribery compliance

Since 2023, the European Union has been developing a proposed directive to harmonise and standardise anti-bribery compliance across the bloc.

**Criminalisation and standardised penalties:** New and updated rules aim to criminalise various corruption offences while standardising penalties across the EU, ensuring that no member state serves as a weak link.

**Widening the scope of accountability:** The Directive proposes to broaden the list of persons of interest. For example, it extends scrutiny to any individual entrusted with tasks of public interest or charged with public service responsibilities, including EU decision-makers such as Commissioners and Members of the European Parliament (MEPs).

**Prevention strategies and victim rights:** Member States will be required to develop and periodically update national strategies against corruption. The Directive also seeks to introduce robust provisions regarding the rights of victims, ensuring that individuals harmed by corruption have access to justice and compensation.

**Sanctions under CFSP:** An allocated sanctions regime under the Common Foreign and Security Policy (CFSP) will be established to address major global corruption cases, reinforcing the EU's commitment to fighting corruption beyond its borders.

As this legislation comes into effect, businesses across the EU will be at much greater risk of falling foul of anti-bribery and corruption rules, particularly through corporate gifts and hospitality.

# The Trump Administration pausing of FCPA enforcement



On February 10, 2025, President Donald Trump signed an executive order directing the Department of Justice to pause enforcement of the Foreign Corrupt Practices Act. While the Trump Administration has directed a pause on enforcement, the statute remains in place unless Congress passes a new law to repeal it, or it is invalidated by a court. This means that future administrations can restart enforcement, or another executive order can do so also.

The five-year statute of limitations for FCPA cases means that prosecutors could still pursue investigations and build cases during this enforcement pause, anticipating that a future administration may reverse the current policy before the statute expires. This creates a lingering legal risk for companies, as conduct occurring during this period could still be subject to prosecution in the coming years.

Additionally, the SEC retains jurisdiction over publicly traded issuers and their officers, directors, employees, and agents, and can continue its enforcement activities independently, along with US attorney's offices.

Despite the federal pause on enforcement of the Foreign Corrupt Practices Act, companies should not interpret this as a green light to relax their compliance efforts. The risks associated with FCPA breaches extend far beyond immediate legal consequences, and the temporary suspension of enforcement does not eliminate the potential for future liabilities.



# Internal policies on managing gifts and hospitality: Getting the balance right

A well-defined gifts and hospitality policy is essential for ensuring that corporate practices align with legal, ethical, and compliance standards. Companies that fail to establish clear policies risk exposure to bribery allegations, regulatory fines, reputational damage, and operational inefficiencies. Even small, seemingly harmless gestures can be misinterpreted as improper inducements. Having a structured policy not only protects the company but also provides clear guidance to employees on what is acceptable, ensuring fairness and consistency in decision-making.

The key aspects of an effective gifts and hospitality will:

- Clearly define what is acceptable and what is not
- Explain the context for corruption and the risk to the business
- Ensure employees understand the different ways gifts and hospitality could be corrupting
- Reduce the risk of a compliance breach through a strong and well-communicated policy
- Demonstrate to employees, regulators and third parties that your company takes the risk of bribery seriously

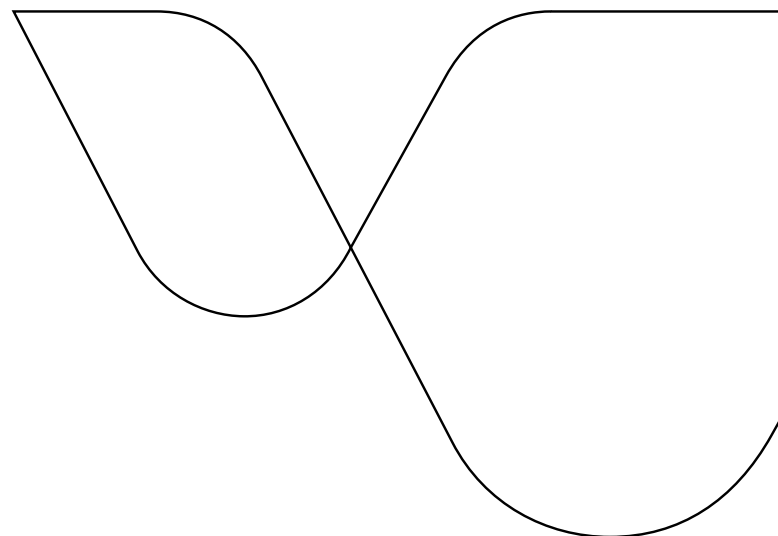
To understand if gifts or hospitality might be a risk, consider the **TAP-OUT methodology**.

Could the **timing** be considered suspicious?

Does the gift have the **appearance** of being untoward?

Is the **price** of the gift or hospitality beyond what is reasonable?

If so, say you're **OUT**



# How to develop your gifts and hospitality policy





## 1. Scope and coverage

Your gifts and hospitality policy should apply to all individuals who perform functions on its behalf, including full-time employees, part-time workers, contractors, consultants, trainees, apprentices, and interns. The risks associated with gifts and hospitality extend beyond internal staff and should also encompass third-party agents, suppliers, and distributors acting on the company's behalf.

Family members and close associates of employees should be included within the scope of the policy. For instance, inviting a client's spouse to an all-expenses-paid retreat could be perceived as an attempt to unduly influence the client's decision-making. Defining who the policy applies to ensures that improper conduct does not indirectly occur through intermediaries or personal relationships.



## 2. Definitions and categories

To avoid ambiguity, the policy should clearly differentiate between gifts, hospitality, and other benefits, ensuring that employees understand what is covered:

**Gifts:** Items of value given or received, such as branded merchandise, consumer goods, vouchers, and discounts. While a small promotional item may be seen as harmless, expensive gifts like luxury watches or high-end electronics raise ethical concerns and should be evaluated critically.

**Hospitality:** Includes meals, entertainment, accommodation, and travel expenses. While business lunches are a common practice, lavish vacations or first-class airfare for clients can create conflicts of interest.

**Other benefits:** Additional forms of advantage such as charitable donations, financial credits, provision of premises, and hiring of a client's relative, which could be used to circumvent standard gifting rules.

## 3. Establishing clear rules

### A. Defining acceptable and unacceptable practices

Your policy should establish criteria for determining when gifts and hospitality are acceptable. For example:

- Are gifts or hospitality offered as a genuine expression of goodwill, or is there an underlying expectation of reciprocation?
- Are they aligned with the company's values and ethical standards?
- Are they reasonable in value and proportionate to the context?
- Would public disclosure of the gift or hospitality cause embarrassment or suspicion?

Cash gifts or their equivalents—such as securities, prepaid cards, and gold—should be strictly prohibited, as they are often used in bribery schemes. Similarly, companies should ensure that hospitality is always accompanied by a legitimate business purpose. For instance, an invitation to a corporate seminar followed by dinner is generally acceptable, whereas an all-expenses-paid luxury vacation without a work-related component is not.

Regularity and frequency should also be considered. A single business meal may be permissible, but frequent expensive dining with the same client or supplier can create an undue sense of obligation, potentially leading to biased decision-making. A structured, automated tracking system helps mitigate these risks.

### B. Legal and compliance considerations

Different jurisdictions have varying legal requirements regarding gifts and hospitality. International companies must be particularly cautious in ensuring compliance with:

- **UK Bribery Act (2010):** One of the strictest anti-bribery laws, making companies liable for failing to prevent bribery, even if it occurs abroad.
- **Foreign Corrupt Practices Act (FCPA - US):** Prohibits corrupt payments to foreign officials, including indirect payments through third parties.
- **Local anti-corruption laws:** Many countries have additional regulations governing the treatment of public officials and commercial bribery.

Companies should also be mindful of **public officials**, as gifts or hospitality involving government employees are subject to heightened scrutiny. Even small favours can be interpreted as improper attempts to gain influence and could result in severe legal consequences.



## 4. Gifts and hospitality employee decision-making framework

### A. Purpose and intent

Understanding the context behind a gift or invitation is crucial in determining whether it is appropriate.

**What is the occasion and why is the gift or invitation being offered?** Legitimate reasons include celebrating anniversaries, project completions, corporate milestones, or widely recognised social events such as Christmas or New Year. However, if there is no clear occasion, this raises questions about the true intent behind the offering.

**Is the timing of the gift or hospitality aligned with a significant business decision?** Gifts and hospitality provided immediately before or during key moments—such as contract negotiations, regulatory approvals, or procurement processes—may indicate an attempt to exert influence and should be reviewed carefully.

**Does the gift align with cultural expectations, or could it be misinterpreted?** In some cultures, gift-giving is a standard part of business etiquette and refusing a gift may be considered offensive. However, in other regions, corporate policies and regulatory frameworks discourage such practices. You should strike a balance between respecting cultural norms and maintaining ethical integrity.

### B. Value and transparency

The value and transparency of a gift or hospitality offering are critical indicators of its appropriateness.

**Is the value reasonable and proportionate?** While small, token gifts such as branded pens or modest meals are generally acceptable, high-value gifts (such as luxury watches, expensive jewelry, or extravagant trips) can create ethical dilemmas and potential compliance risks.

**Would the transaction be acceptable if made public?** A useful test is the “press test”—if details of the gift or hospitality were published in a major newspaper, would it raise concerns about ethical misconduct or favoritism? If the answer is yes, then the transaction should likely be avoided or subject to further scrutiny.

**Has the expenditure been properly documented and approved?** All gifts and hospitality should be recorded in a company’s register and, where necessary, approved by a senior compliance officer. Proper documentation ensures accountability and protects both the company and the employee from allegations of wrongdoing.

It’s a good idea to implement an annual threshold for cumulative gift values. Even small, recurring gifts can accumulate over time and create the same undue influence as a single high-value gift. Regular monitoring and oversight help prevent this from occurring.

## 5. Company approval and reporting mechanisms

### A. Pre-approval process

For transparency, gifts and hospitality above a certain threshold should require pre-approval from compliance officers or senior management. This ensures that high-value or high-risk exchanges undergo proper scrutiny before acceptance.

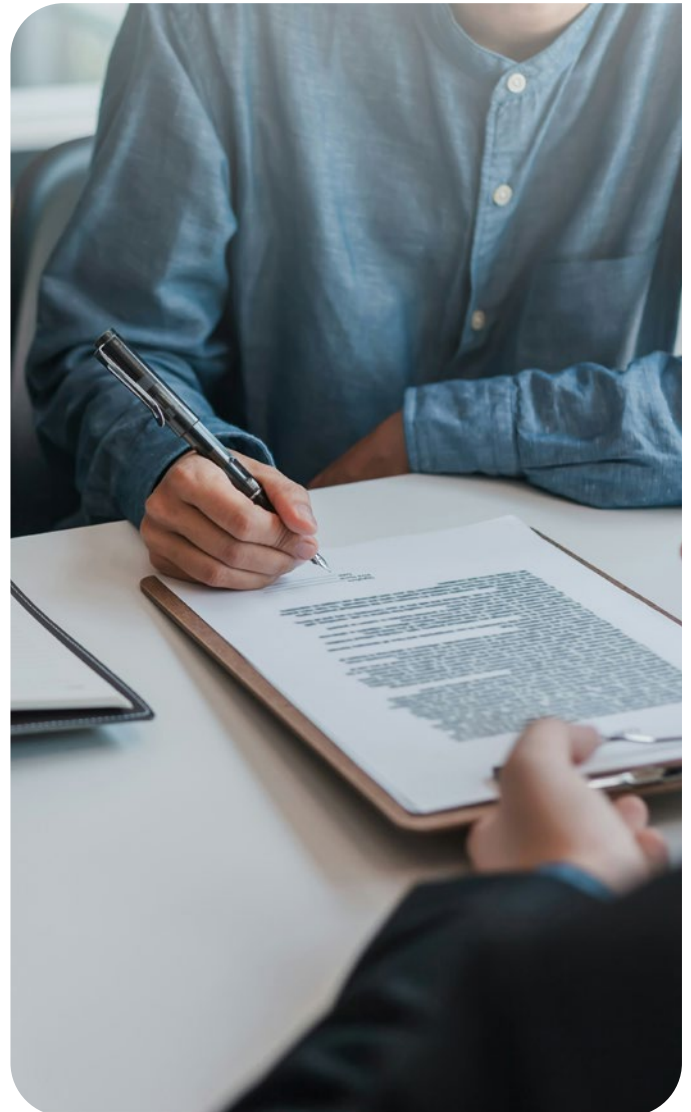
### B. Record-keeping and monitoring

A gift and hospitality register should be maintained to document all provided and received benefits, helping to identify patterns that may indicate a conflict of interest.

Companies should use **software solutions** to monitor annual limits and automate compliance procedures.

### C. Whistleblower protection and reporting violations

Employees should be encouraged to report unethical practices through a **whistleblower system**. Retaliation against whistleblowers should be strictly prohibited to maintain a culture of transparency and accountability.





## 6. Special considerations for public officials

Dealing with public officials presents unique compliance challenges, as many anti-corruption laws impose stricter regulations on interactions with government employees. Public officials include government employees, representatives of state-owned enterprises, political candidates, and members of regulatory bodies.

### A. Increased risk and legal scrutiny

Offering gifts or hospitality to public officials—even small tokens of appreciation—can be perceived as bribery, particularly if they coincide with regulatory approvals, contract negotiations, or legislative changes. Laws such as the FCPA and UK Bribery Act explicitly prohibit corrupt interactions with government figures, meaning that even minor infractions can result in heavy fines, legal sanctions, and reputational damage.

### B. Mitigating public official risk

To mitigate risks, you should:

- Implement stricter, multi-layer approval processes for gifts or hospitality involving public officials such as senior manager sign-off.
- Limit interactions to business-related purposes, avoiding personal benefits.
- Consult relevant regulations and internal compliance teams before offering anything of value to a public official, including hospitality and meals.
- Document all interactions meticulously, ensuring transparency and traceability.

### C. Prohibited and high-risk activities

The following should generally be avoided when dealing with public officials:

- Cash payments or equivalents (e.g., gift cards, stocks, gold, or luxury items).
- Frequent or high-value gifts or invitations to entertainment events.
- Hospitality without a clear business justification, such as travel, dining, or sporting event invitations.
- Benefits offered during a regulatory review, licensing process, or government tendering process.

You should always conduct enhanced due diligence when dealing with public officials and conduct mandatory training for employees interacting with government representatives.



## 7. Training and Awareness

### A. Importance of regular training

Employees must be regularly trained to recognise improper gift-giving practices and the risks associated with bribery. Training programs help ensure that employees understand their responsibilities, remain vigilant about compliance risks, and can confidently navigate complex ethical situations.

It is vital to establish **mandatory compliance training** for all employees, with enhanced training for high-risk roles such as sales, procurement, and those interacting with government officials. This training should not be a one-time exercise but an ongoing process that includes refresher courses, scenario-based learning, and updates on evolving regulations.

### B. Using case studies to reinforce learning

One of the most effective ways to embed compliance principles is through **real-life industry case studies**. These case studies illustrate:

- The real-world consequences of non-compliance, including legal action, fines, and reputational damage.
- Ethical dilemmas employees may face and the appropriate ways to handle them.
- How subtle or indirect bribery practices (e.g., excessive hospitality, hiring a client's relative) can lead to regulatory scrutiny.

By presenting cases where companies have faced legal repercussions due to improper gift-giving or hospitality practices,

employees can better understand the risks and apply these lessons to their daily decision-making.

### C. Interactive learning and assessments

To enhance engagement, incorporate **interactive learning tools** such as quizzes, scenario-based learning, and gamified courses. Employees should be encouraged to discuss ethical dilemmas and practice decision-making using a structured framework.

Regular **knowledge checks** can help gauge employees' understanding of the policy and identify areas where additional training may be needed.

### D. Leadership and culture of compliance

Strong compliance comes from the top. Senior management must lead by example by actively participating in training and reinforcing a culture of compliance. Employees are more likely to adhere to policies when they see leadership demonstrating ethical behaviour and holding themselves accountable.

Additionally, companies should promote an **open-door policy** where employees feel comfortable seeking guidance on compliance-related questions. Establishing compliance champions within different departments can also help reinforce best practices at all levels of the organisation.

By implementing a robust training and awareness program, companies can significantly reduce compliance risks, foster ethical business practices, and create a transparent corporate culture that prioritises integrity over short-term gains.



## 8. Third-party due diligence

There's no use in developing a strong internal policy, only to have a vendor or supplier ruin it with their lax procedures. Third-party relationships, including suppliers, distributors, consultants, and agents, pose a significant risk if they engage in corrupt activities on behalf of the company. As such, businesses should implement robust due diligence processes to mitigate potential legal and reputational consequences.

### A. Conducting due diligence

Prior to engaging any third party, companies should conduct a thorough risk assessment that includes:

- Reviewing the third party's background, reputation, and past business practices.
- Assessing the third party's relationships with government officials and high-risk jurisdictions.
- Ensuring the third party has adequate compliance policies and anti-bribery training in place.
- Identifying any red flags, such as previous corruption allegations, opaque ownership structures, or unusually high commissions.

### B. Contractual safeguards

To reinforce compliance, contracts with third parties should include:

- **Anti-bribery and corruption clauses**, explicitly prohibiting bribery, facilitation payments, and any form of unethical inducements.
- **Audit rights**, allowing the company to review the third party's records and practices.
- **Termination provisions**, enabling the company to sever ties if non-compliance is detected.

### C. Ongoing monitoring and compliance

Due diligence does not end at contract signing. Companies should implement continuous monitoring mechanisms, such as:

- Regular compliance audits and risk assessments.
- Periodic training sessions for third-party partners to reinforce ethical standards.
- Whistleblower hotlines for third parties to report suspected misconduct.

By maintaining strict oversight, companies can minimise their exposure to third-party corruption risks and ensure that external partners align with their corporate values and compliance standards.

## 9. Policy review and continuous improvement

Your well-crafted gifts and hospitality policy should not remain static. Instead, it should be regularly reviewed and refined to keep pace with evolving legal frameworks, industry best practices, and emerging business risks.

### A. Annual policy review

You should conduct a formal review of their gifts and hospitality policy at least once a year. This process should assess:

- Changes in **international and local anti-bribery laws** that might necessitate policy updates.
- **Recent enforcement actions** and legal cases that highlight new areas of risk.
- **Benchmarking against industry standards**, ensuring that the company's approach remains aligned with best practices.

By staying proactive, companies can address potential compliance gaps before they lead to regulatory scrutiny or reputational damage.

### B. Seek employee feedback

Employees play a crucial role in the practical application of the policy. Actively soliciting their feedback helps ensure that the policy is:

- **Clear and easy to understand** in real-world business situations.
- **Not overly restrictive**, allowing legitimate business relationships to flourish without undue bureaucracy.
- **Enforceable**, ensuring that guidelines are practical rather than theoretical.

You can collect feedback through:

- **Anonymous surveys** to gauge employee understanding and identify challenges.
- **Focus groups** that engage employees in discussing potential policy improvements.
- **Regular check-ins with compliance officers** to assess recurring concerns or ambiguities.

### C. Continuous training and awareness

Updating the policy is only effective if employees are aware of and trained on the changes. After each revision, companies should:

- **Communicate updates clearly** through internal emails, webinars, or compliance meetings.
- **Provide refresher training** to ensure all staff understand new requirements.
- **Update digital resources**, such as intranet pages or policy manuals, to reflect the most current guidance.

By fostering a culture of continuous improvement, companies can ensure that their gifts and hospitality policy remains an effective tool for preventing corruption, mitigating risks, and maintaining ethical business practices.



# Managing gifts and hospitality reporting: Strategies for compliance

Managing corporate gifts and hospitality is a delicate balancing act. Organisations must ensure that business relationships can flourish without crossing ethical or legal boundaries. Various strategies exist for handling this issue, ranging from a relaxed, documentation-free approach to strict zero-tolerance policies. Most businesses, however, aim for a middle ground that maintains ethical integrity while allowing for culturally and commercially appropriate gestures.

## The 'anything goes' approach: A risky legacy

For decades, many businesses operated under an informal, unregulated system when it came to gifts and hospitality. Luxury watches, expensive dinners, and lavish business trips were exchanged freely, with little concern for oversight. Compliance was often dismissed as unnecessary bureaucracy, and documentation of these exchanges was rare, if it existed at all.

This approach, however, has become increasingly untenable in today's regulatory and business climate. High-profile corruption scandals have led to tighter enforcement of anti-bribery laws worldwide, with regulations such as the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act imposing severe penalties for unethical gift-giving practices.

Companies operating under a laissez-faire model now face significant risks, including:

- **Legal liability** – Failure to track gifts and hospitality can result in regulatory scrutiny and potential prosecution.
- **Reputational damage** – Scandals involving undisclosed gifts can erode customer and investor trust.
- **Internal misconduct** – Without oversight, employees may develop unethical habits, leading to broader compliance failures.

Moreover, younger professionals entering the workforce place greater emphasis on ethical business practices. A company that neglects compliance may struggle to attract and retain top talent. For these reasons, the laissez-faire approach is widely seen as outdated and hazardous, with many organisations moving toward structured compliance frameworks.

## Zero-Tolerance: Too rigid for practical business

At the opposite end of the spectrum is the zero-tolerance approach, which prohibits all gifts and hospitality outright. This policy is easy to enforce and eliminates any grey areas that might lead to compliance risks. However, it is often impractical in real-world business environments.



The primary issue with a zero-tolerance approach is that it can damage relationships. In many industries and cultures, small gifts or invitations to business meals are standard practices that help build trust. Prohibiting even minor gestures can create friction with clients, suppliers, and business partners.

Key challenges of the zero-tolerance model include:

- **Alienating business partners** – Many cultures consider gift-giving a sign of respect, and refusing to accept or reciprocate can be seen as rude.
- **Internal resistance** – Sales and client-facing teams often rely on hospitality as part of relationship management. A rigid ban may create dissatisfaction.
- **Administrative burden** – Strict policies require constant monitoring, and enforcement can become time-consuming.

Due to these challenges, few companies adopt a fully zero-tolerance stance. Instead, they seek to implement policies that strike a balance between compliance and practical business needs.

### Setting clear limits: A balanced approach

One of the most effective strategies for managing gifts and hospitality is to establish clear monetary limits that cannot be exceeded. This allows businesses to accommodate small, reasonable gifts and invitations while preventing excessive or suspicious transactions.

This approach offers several advantages:

- **Flexibility** – It permits culturally appropriate gifts and hospitality while ensuring they remain within ethical boundaries.
- **Transparency** – Employees have clear guidelines on what is acceptable, reducing ambiguity.
- **Compliance support** – By setting defined thresholds, companies can enforce policies without micromanaging every transaction.

However, the challenge with this model is enforcement. Employees may find ways to circumvent limits, such as breaking large gifts into smaller increments. Additionally, defining appropriate thresholds across different markets can be complex. A £50 meal in London might be considered modest, whereas in a lower-income region, the same amount could be perceived as extravagant.

To address these issues, businesses often implement tiered thresholds based on employee roles, transaction types, or geographical regions. For example, a sales representative may have a £30 limit per gift, while an executive hosting a client dinner may have a £100 allowance. These limits should be reviewed regularly to ensure they remain appropriate and effective.

# Using technology in gifts and hospitality compliance

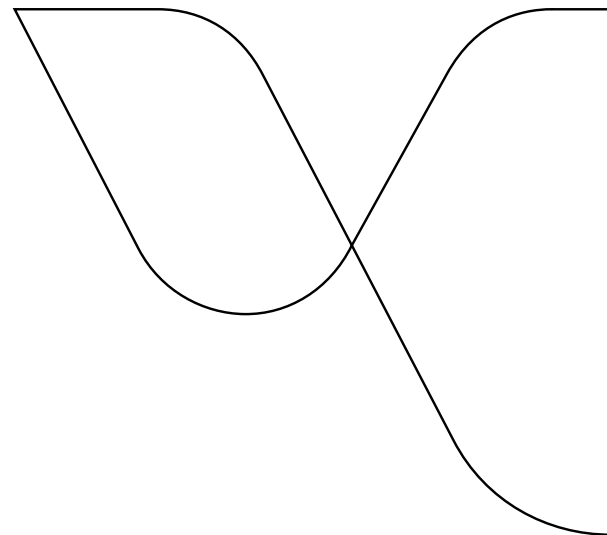
## Why it's time to break up with Excel

Spreadsheets may appear cost-effective and familiar at first glance, but when used to track gifts and hospitality compliance, they create multiple layers of risk and inefficiency that can be detrimental to a business's integrity and operational efficiency.

For one, spreadsheets are notorious for human error. Manual data entry can lead to inaccuracies in recording gift values, dates, and the identities of parties involved. Even a small mistake—a misplaced decimal point or an omitted entry—can disrupt the whole compliance picture, hiding potential red flags that regulators would scrutinise. Moreover, when employees rely on spreadsheets to track gifts, version control issues frequently arise. Multiple versions of the same file can circulate within an organisation, making it nearly impossible to maintain a single, trusted source of truth. This problem compounds when trying to compile data for audits or internal reviews, where every change must be traceable.

Spreadsheets lack robust audit trails. In regulated industries, demonstrating compliance isn't just about having the data—it's about proving the process behind that data. Spreadsheets typically do not record who made a change or when it occurred, which is critical information during audits. Without automated logs, businesses must rely on manual explanations that can be both time-consuming and unreliable.

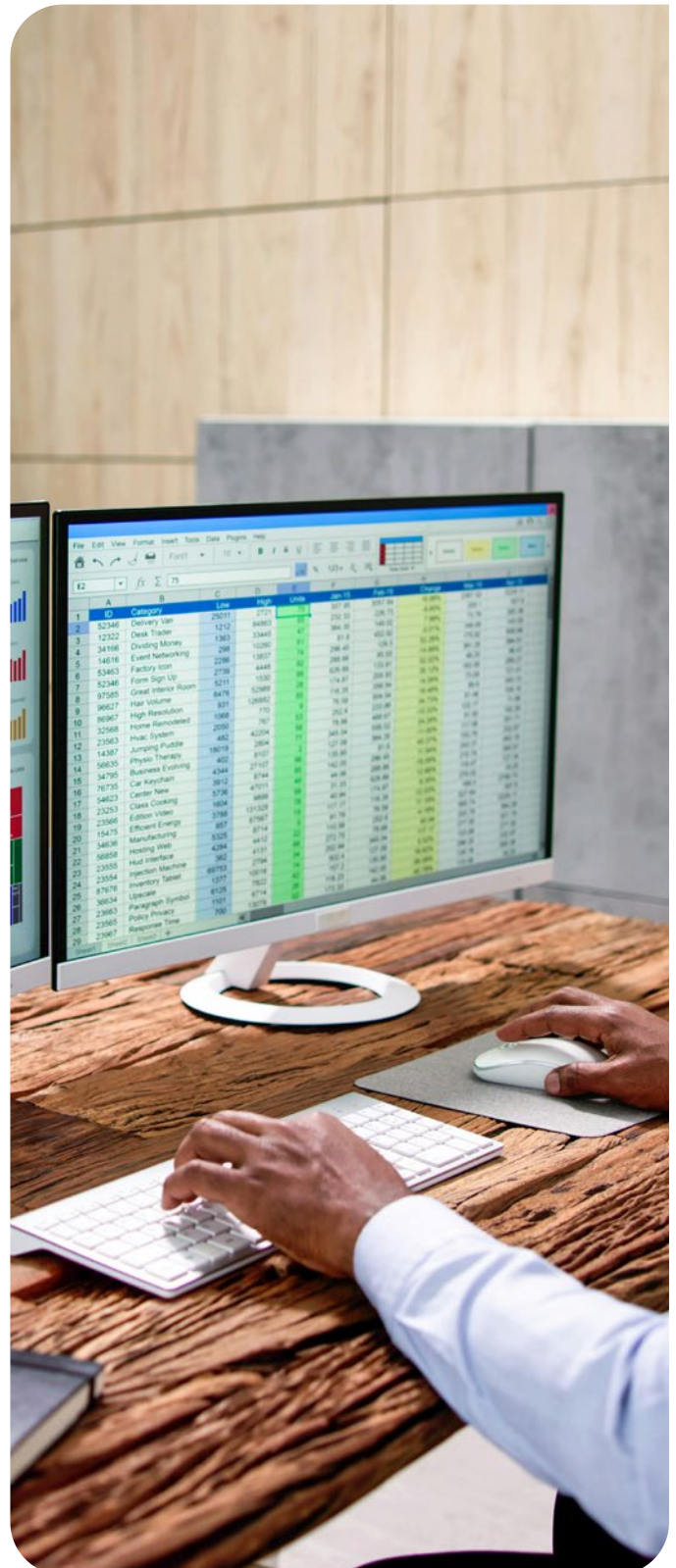
Another significant limitation is the absence of integration. Modern compliance demands real-time data flow between different systems—such as CRM, ERP, and expense management tools—to ensure that all gift-related information is up to date. Spreadsheets, however, are static and require manual updating, meaning data often becomes siloed and outdated. This fragmentation can lead to compliance oversights, especially when rules or thresholds change and employees must adjust the spreadsheet manually. In contrast, dedicated compliance software offers dynamic dashboards and automated workflows that instantly flag anomalies and route high-value or irregular entries for review.





Furthermore, spreadsheets do not support automated approval processes. In a scenario where a gift exceeds a predefined threshold, an automated system can instantly trigger a multi-step approval workflow. This will alert the appropriate manager, record the decision, and ensure that all relevant documents (like receipts or supporting justifications) are attached. With spreadsheets, such approvals are typically managed via email or separate logs, increasing the risk of missed deadlines or overlooked reviews. This fragmented approach not only slows down the process but also increases the administrative burden on compliance teams, making it difficult to spot trends or inconsistencies in gift-giving patterns over time.

While spreadsheets might have once 'done the job,' they are ill-equipped to handle the complexity, scalability, and regulatory rigor required for modern gifts and hospitality compliance.



# Gifts and hospitality today: The automated solution

Automated solutions, such as dedicated gifts and hospitality management software, offer significant benefits in gifts and hospitality reporting and tracking.

## **Real-time tracking** – Employees can log gifts and hospitality instantly, ensuring transparency.

With an automated system, employees can instantly log any gift or hospitality event via user-friendly web or mobile applications. This real-time data capture ensures that every transaction is recorded immediately, eliminating delays and reducing the risk of forgotten or misreported entries. Dashboards provide up-to-the-minute insights into gift flows and potential red flags, allowing compliance teams to intervene quickly if an anomaly arises. This immediacy not only boosts transparency but also supports proactive risk management, as trends or unusual activity can be spotted and addressed before they escalate.

## **Automated approvals** – Higher-value gifts can be flagged for managerial review, preventing excessive transactions.

Automated solutions come equipped with predefined business rules and multi-step approval workflows that trigger automatically when a gift's value or type exceeds preset thresholds. Instead of relying on manual email chains—which can be inconsistent and error-prone—these systems flag higher-risk items and route them directly to the appropriate managers. Managers receive instant notifications and can review, approve, or reject requests with a few clicks. This not only minimises the chance of excessive or inappropriate transactions but also ensures that approvals are handled consistently across the organisation.

## **Audit readiness** – Digital records create an easily accessible compliance trail for regulators.

Perhaps one of the most critical benefits is the creation of a comprehensive digital audit trail. Every action—be it data entry, modifications, or approvals—is timestamped and logged automatically. This means that when regulators or internal auditors require evidence of compliance, the organisation can quickly generate detailed reports that trace the entire lifecycle of each gift and hospitality entry. Digital records replace scattered paper logs and disparate spreadsheets with a centralised, immutable source of truth, dramatically simplifying audit processes and reducing compliance risk.



# The pros and cons of different gifts and hospitality solutions

## 1. Manual or paper-based gifts register

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### Overview

A manual gifts register is a straightforward, low-cost approach where employees record received and given gifts and hospitality in a physical logbook or digital equivalent.

### Advantages

- Simple and inexpensive to implement
- Can be maintained by compliance officers or department heads
- Could be suitable for small businesses with low volumes of gift transactions

### Disadvantages

- Prone to human error and omissions
- Difficult to audit and enforce policy compliance
- Lacks real-time tracking and automated approval processes
- Inefficient for larger organisations
- Not compliant for today's bribery regulations

### Implementation steps

1. **Create a standard register:** Define a logbook format that captures key details such as the giver/recipient, date, value, description, and reason for the gift.
2. **Establish a policy:** Clearly define acceptable and unacceptable gifts, reporting thresholds, and approval requirements.
3. **Assign responsibility:** Designate a compliance officer or team responsible for reviewing and auditing the register regularly.
4. **Train employees:** Ensure staff understand when and how to log gifts and hospitality.

## 2. Spreadsheet-based system like Excel

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### Overview

An Excel spreadsheet-based system is a digital step up from a manual register, offering better organisation, some automation, and easier reporting. However it is highly limited in what it can do in terms of tracking and audit trail.

### Advantages

- More structured than a manual register
- Enables some filtering, sorting, and data analysis

### Disadvantages

- Requires manual data entry, leading to potential errors
- Lacks real-time notifications and tracking
- Cannot easily integrate with other compliance tools or financial systems
- Audit trails can be manipulated or lost
- Not possible to spot trends or patterns
- Doesn't cross-reference with expense claims
- No automatic flagging

### Implementation steps

1. **Develop a template:** Create an Excel file with predefined fields for tracking gifts and hospitality.
2. **Set data validation rules:** Use drop-down menus and formulas to enforce consistency in data entry.
3. **Establish approval workflows:** Implement a system where approvals are tracked via email or embedded comments.
4. **Centralise storage:** Use cloud storage (e.g., SharePoint, Google Drive) for access control and version tracking.
5. **Regular audits and reporting:** Generate periodic reports to identify patterns and ensure compliance.



## 3. Fully integrated automated solution

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### Overview

A dedicated gifts and hospitality management platform automates reporting, approvals, and compliance monitoring.

### Advantages

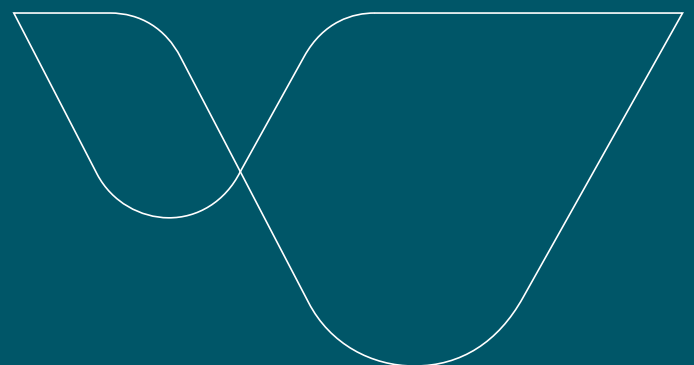
- Real-time tracking and reporting
- Automated approval workflows
- Integration with compliance, finance, and HR systems
- Enhanced security and auditability
- Useful for large enterprises and regulated industries
- Adapts to multiple jurisdictions, multiple languages and currencies

### Disadvantages

- Higher implementation costs
- May require IT integration and ongoing system maintenance

### Implementation steps

- 1. Choose a software solution:** Select a platform that aligns with business needs (e.g. VinciWorks Omnitrack Gifts and Hospitality Reporting Tool)
- 2. Define compliance policies:** Configure the system to reflect the company's gift and hospitality policy, including thresholds and approval levels.
- 3. Integrate with other systems:** Connect the platform to expense management, CRM, and HR tools.
- 4. Automate notifications and reports:** Set up alerts for unusual gift patterns and generate compliance reports.
- 5. Employee training and adoption:** Conduct training sessions to ensure effective use of the system.



# VinciWorks' gifts & hospitality solution

The gifts & hospitality process in Omnitrack leverages dynamic workflows to seek the level of information needed, turn approvals into a seamless process and automatically build the compliance register and audit trail. Any workflow and approvals process can be incorporated into Omnitrack, allowing you to manage bribery risk your way.

When you sign up with Omnitrack, you have a dedicated implementation team that works with you every step of the way, on your own schedule, until it goes live. Once up and running, our support team is always available to provide a boutique, individualised service. VinciWorks is with you every step of the way.

## How does Omnitrack compare to other G&H solutions?

G&H feature	Company A (off the shelf system)	Company B (Excel)	Omnitrack G&H solution
All submissions tracked and logged	✓	✓	✓
Data analytics	✓	✓	✓
Easily spot trends and patterns	✓		✓
Automated flagging of red flags	✓		✓
Full audit trail	✓		✓
Links to policies	✓	✓	✓
Customised for your own business needs		✓	✓
Adapts to multiple jurisdictions			✓
Multiple languages			✓
Currency convertor			✓
API integrations			✓
Forms can be submitted by support staff		✓	✓
Additional sign off for events or larger value items			✓
Auto-approval under certain thresholds	✓		✓
Thresholds and sign-offs triggered by job role			✓
Cross reference with expense claims			✓



## You're interested in Omnitrack's compliance solution. What happens next?

Your Omnitrack journey begins the moment you let us know what your compliance issues are. Because when you work with us, you are not just buying a piece of software. You are getting the expertise of our team who work with you to make sure your problems with compliance get solved.

### What kind of companies have we helped solve their G&H challenges?

**Company A** is a large, multinational mining company working in multiple jurisdictions. They have a G&H system, but it's clunky and off the shelf. They recently had an audit, and were told to strengthen their procedures and augment their questionnaires. The auditors suggested looking into automated solutions so nothing slips through the cracks and evades approval or followup as dictated in the company's anti-bribery policy.

**Company B** is a small professional services firm. They've been using Excel to track G&H, Dropbox for documentation and simple emails for approvals. But their new General Counsel wants to get a better solution that can handle different thresholds by job type and jurisdiction. They also have a need to provide an overview data analysis of G&H across the firm.

# Meet your Omnitrack implementation team

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I hear from my clients how complicated compliance systems can be. Particularly for gifts & hospitality, it often feels like a lower priority, and many organisations 'make do' with some Excel spreadsheets or an ad hoc approach to tracking gifts.

Maybe an audit has pointed out some inefficiencies, or a risk assessment has shown some weak spots. Or maybe it's just time to refresh your anti-bribery procedures before the gifting of luxury goods to the public official becomes the next headline..

Whatever the reason, I've helped many companies, from international giants to discrete law firms, figure out their solution to the gifts & hospitality reporting challenge. And I'm here to help you do the same within the context of your specific business environment.

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**Sandra Erez**

Director of Global Enterprise Sales

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