

A person in a dark suit is handing a document to another person whose hand is visible on the right. In the foreground, there is a clipboard with a document titled 'CONTRACT' and a pen. A laptop is open in the background. The scene is dimly lit, suggesting an office environment.

# An international perspective on gifts, hospitality and bribery laws

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**The webinar will begin soon**

**The webinar is being recorded and  
you will receive the recording after  
the webinar**

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**Write 'demo' if you want to know  
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**Poll 1:**

**How high is bribery on your  
compliance agenda?**

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# The risk of gift giving to public officials

# Local government public officials

- Pandemic of corruption at local government level
- 1 in 10 local authorities in England subject to bribery investigation in the last year
- 36 local governments (out of 317) investigated for economic crime
- Dozens arrested and convicted

# Local gov corruption not isolated crime

- Liverpool City Council underwent huge corruption scandal in last few years
- In 2019, senior Council officer and property developer arrested for bribery
- Property developer secured real estate on “improperly preferential basis”
- High Court quashed the arrests after police “mistakes”



# Liverpool corruption scandal

- In 2020, council official re-arrested for bribery
- Joe Anderson, Mayor of Liverpool, arrested for bribery and witness intimidation
- City budget shortfall of millions
- Westminster took over the council
- Many planning officials were sacked
- Developers said they had lost trust with Liverpool and the planning officials

# The bribery risks of local government

- Local government is a risky space for bribery and corruption
- Less oversight from local press
- Massive push to outsource public functions to private companies
- Less accountability for decision making
- Less scrutiny of accounts or FOI requests
- Some local officials try to sell their influence

# Bribery of local officials

- Local councillor in England selling his influence to get planning permission
- Bid rigging between local government contracts
- IBM and Somerset City Council had a joint venture
- £500m deal - kept losing the council money
- Iain Liddell-Grainger MP raised issues in parliament
- He said the only reason the contract was signed was that “palms were being greased”



Working with the Bribery Act  
**Spotting and dealing with bribery**

*from a*  
**Red flags of bribery and corruption**  
*bribery*  
*money*

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# What to consider when training?

- Staff must be able to identify the red flags
- Could include gift giving, favours, nepotism, favouritism
- Is doing the 'right thing' to help a friend wrong?
- Spending small amounts to 'grease the wheels' can seem like an easy decision
- But these small acts can amount to bribery

# The rules of gifts and hospitality

- Staff should never accept more than modest gifts, meals and entertainment, and always with a policy
- Corporate spend on G&H must be authorised
- All G&H must be declared and recorded correctly
- Luxury travel, frequent travel, cash gifts or expensive gifts not allowed
- No minimum threshold for corrupt payments

# Managing G&H internally

- Need an up-to-date G&H policy
- Policy should cover complex situations
- Need to decide on different levels and thresholds of gifts for job roles
- Assessing gifts from contractors, suppliers, clients and other third parties
- All information should be recorded



A photograph showing a person in a dark suit holding a stack of US dollar bills. Another person, wearing a light-colored blazer, has their right hand raised palm-forward in a 'stop' gesture, preventing the transaction. The background is a blurred office setting with a green wall and bokeh lights.

**Poll 2:**

**What are you using for gifts and  
hospitality compliance?**

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# Bribery around the world

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# Corruption Perception Index (CPI)

- Produced annually by Transparency International
- Consider the CPI when undertaking risk assessments
- CPI ranks countries 0-100, most to least corrupt
- 80% global population live in a corrupt country
- Denmark tops the list with 90
- Finland, Norway, Sweden, New Zealand, Switzerland, Germany, The Netherlands and Singapore least corrupt

# Most corrupt countries

- Conflict zones, unfree countries and weak governments most corrupt
- Yemen, Somalia, Venezuela, Syria, South Sudan, Nicaragua, North Korea, Haiti, Equatorial Guinea, Turkmenistan, Libya score very low
- Key global supply chain countries also score low
- Myanmar, Cambodia, Bangladesh, Mexico, Sri Lanka, Philippines, Thailand, Turkey

# More countries becoming more corrupt

- 34 countries have declined in their CPI ranking
- 28 countries have improved their CPI ranking
- The United Kingdom, Sweden and Ukraine have all fallen
- Turkey has dropped the most
- 11 points since 2014, and is grey-listed by FATF

# Examining sources for risk assessments

- Case of Bulgaria's 'surprise' addition to FATF grey list
- Joins Croatia as other EU grey listed country
- Bulgaria rocked by financial scandals, sanctions against senior politicians, crypto scams from the country
- Credit Suisse found guilty in a Bulgarian money laundering scam
- Bulgaria had severe warning signs before grey listing

# Other countries to consider

- Poland has a low CPI score of 54
- Previous gov undermined judiciary, reduced checks on gov power and rule of law
- A reformist gov elected in 2023, could improve Poland's rankings and perception
- North Macedonia working to undermine rule of law
- Criminal code amended to reduce sanctions on corrupt officials
- 200 cases of public corruption at risk

A man in a white dress shirt and a dark tie is standing in a hotel room, talking on a mobile phone. He is holding a black suitcase. In the foreground, a bed is visible with a laptop open on it. The room has a wooden headboard and a nightstand with a lamp. The text "The complexity of bribery around the world" is overlaid on the image.

**The complexity of bribery around  
the world**

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# Bribery in Argentina

- In Argentina, anti-bribery compliance programme can be used as a defence if a public official is bribed
- Compliance programme must include:
  - code of ethics & risk analysis
  - rules for interacting with public officials
  - staff training & third party due diligence
  - whistleblower protections
  - nominated compliance officer

# Bribery in Australia

- Federal and state laws which change often
- Six states and two territories have their own laws
- “Facilitation payments” can be used a defence only if of minor value and for expediting routine gov action
- In the UK, facilitation payments are not allowed
- A British company pleading this defence in Australia could be prosecuted under the UK Bribery Act

# Bribery in China

- Some government officials have been executed for bribery
- No single bribery law, but many criminal statutes
- Laws covers public entities, public officials and commercial bribery
- Chinese companies and foreign companies in China covered
- Chinese nationals overseas could also be covered

# Bribery in United Arab Emirates

- Corporate hospitality in Dubai can amount to bribery
- Hospitality given with intent to corrupt can be unlawful
- But any briber who self reports can be exempt from penalties
- UAE had first case of UK Bribery Act failure to prevent
- Putting in place procedures helps to mitigate the risks



**Download our global guide to anti-bribery  
laws 2023**

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**Poll 3:**

**Do you have an automated system for managing bribery risks?**

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# Mitigating international bribery risks

- Check critical countries across the value chain
- Suppliers, clients, partners, agents, any third parties
- Investigate and understand risk factors and document risks
- Automated system can help - instead of sending out hundreds of emails, collect data into the one place and a central hub of bribery information

# Preventing risk of bribery

- Clauses in supplier contracts
- More scrutiny of accounting practices
- Lower threshold for gifts
- Have a tool to evidence transparency
- Failing to have these adequate procedures can be an offence for UK companies
- Not using an automated system is a significant risk
- Improve your G&H data collection to mitigate risk



Working with the Bribery Act

**Giving gifts**



**Poll 4:**

**How would you rate your current  
anti-bribery training?**



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A man in a dark tuxedo and white shirt with a black bow tie is the central figure. He is holding a champagne flute glass filled with orange liquid. To his left, a waiter in a white shirt is holding a silver tray with several more champagne glasses, some containing orange liquid and others with red liquid. The background is slightly blurred, showing other people in formal attire. The overall scene suggests a high-end social event.

# Recent convictions for bribes and gifts

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# Cardiff City Council bribery

- Waste disposal contract lost Cardiff £500,000
- Four men sentenced 1-2 years for paying bribes to council staff who operated the large weigh scales
- CPS investigated and found the company bribed the council staff to save money on fees
- £175,000 in bribes paid to 4 staff to save £240,000 in fees

# Fort Lee bribery

- Couple from Virginia and Missouri man sentenced to 1.5-2.5 years in prison
- Paid \$92,000 in bribes for \$900,000 in corruptly marked up purchases
- Skookum Educational Services contracted with the US gov to provide services to Fort Lee army base
- All three convicted of conspiring to bribe a public official

# Coca-Cola supplier bribery

- Senior manager at Coca-Cola gave out fake contracts to suppliers, supplied information about rivals' bids
- Received cash bribes, free tickets to football matches, sponsorship of local football team
- Senior manager made around £2m in bribes
- Three companies convicted of failure to prevent bribery and fined
- First case brought by Met Police, not SFO

A photograph of a business meeting. In the center, a person's hand is holding a piece of aged, yellowish paper. To the left, another person's hand is holding a stack of white documents. To the right, a person's hand is resting on a wooden table. The background is slightly blurred, showing a person in a white shirt and tie. The overall scene suggests a professional transaction or agreement.

**Download our gifts and corporate  
hospitality policy**

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# Taking G&H seriously

- Set the tone from the top
- Coherent G&H policy supported by senior managers
- All employees to read, understand and comply with policies
- Evidence that compliance
- Train everyone no less than once a year
- People should know how to report a problem





**Poll 5:**

**How would you rate your own organisation's leadership in setting a strong tone on G&H?**

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# EU's action on bribery

- May 2023, European Commission presented new proposal to combat corruption
- Extend definitions of criminality
- Includes misappropriation, trading influence, abuse of functions, obstruction of justice and illicit enrichment
- Minimum criminal penalties for Member States to introduce

# Proposed EU bribery directive

- Formal definition of bribery in private sector
- Legal entities should be held liable for bribery crimes
- Gifts registers should be tracking who is sent gifts, as well as received
- Using Excel is not an option - cannot do much
- Need to have different thresholds for job roles, cross-reference with expenses
- Strong audit trail, features to spot red flags

# Impact on business

- Broad definition of public official
- EU officials and also Member State officials, third countries, international organisations and courts
- Businesses could be liable for the offences
- Penalties can include prison
- Entities could face 5% worldwide turnover fines
- Disqualification or debarment from conducting business

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A wicker basket filled with various wrapped gifts, including a bottle of wine, a striped gift, and a gift with a yellow bow. The basket is set against a plain background.


**Q: What is an appropriate minimum threshold for reporting gifts and entertainment?**



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**Q: What gifts and hospitality are acceptable to give or receive from suppliers?**

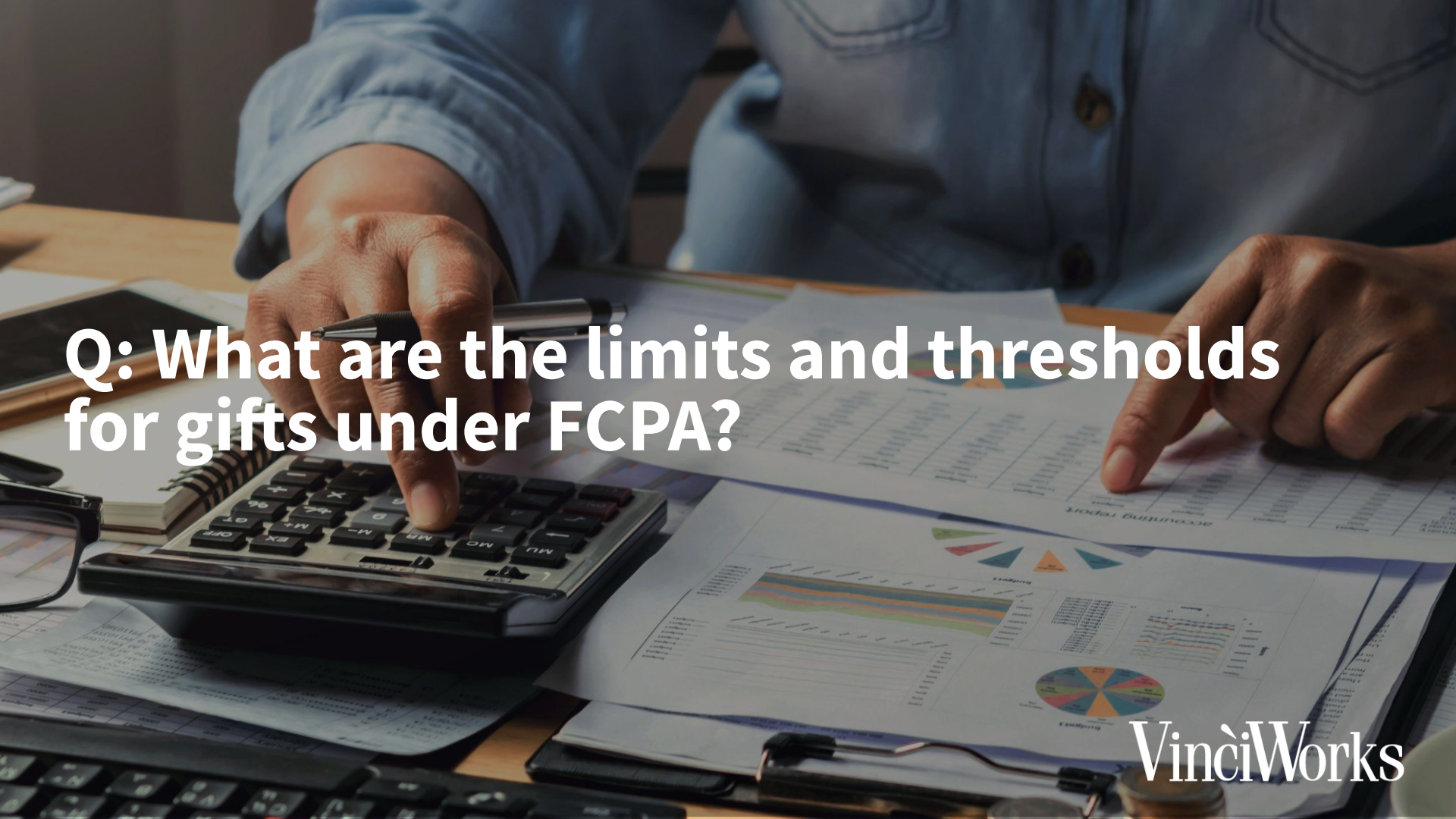
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A photograph of four women in professional attire socializing on a rooftop terrace. They are holding various drinks, including champagne and orange juice, and appear to be in a celebratory mood. The background shows a cityscape through large windows.

**Q: Who needs to pay attention to the  
FCPA?**

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A person wearing a light blue button-down shirt is seated at a desk, focused on their work. Their right hand is positioned over a black calculator, with one finger resting on a key. Their left hand is pointing at a document on the desk. The desk is cluttered with various items: a black calculator, a pair of glasses, a clipboard, and several sheets of paper. One prominent document features a colorful pie chart and a line graph, with the text 'accounting report' visible. The overall scene is dimly lit, with a soft light source from the left, creating a professional and concentrated atmosphere.

**Q: What are the limits and thresholds for gifts under FCPA?**

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