

A screenshot of a KPMG Business School website. The top navigation bar includes links to Favorites, Facilities Online, Inside, KPMG Business School, Employee-facing registry ..., Share on the Hub, and a search bar. The main content area features a blue banner with the KPMG logo and the text "Acting with Integrity (2012) Introduction". A large red watermark diagonal across the slide reads "Restricted to TU Delft 05 December 2013 Aniek Berendsen". The slide itself has a background image of four business people in a modern office setting. Overlaid text includes "Doing the Right Thing", "Acting with Integrity", and "Recognizing and Raising Issues".

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Module Map

Doing the Right Thing

Acting with Integrity

Recognizing and Raising Issues

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Module Map



Introduction

Find out what will be covered in this course...

Time estimated:
3 minutes.



A Framework for Ethical Behavior

How well do you know your responsibilities for behaving ethically and for complying with laws, regulations, professional standards, and KPMG policy?

Time estimated:
12 minutes.



Bribery and Facilitation Payments

Would you recognize a bribe if you were offered one? Do you know how to respond?

Time estimated:
22 minutes.



Other Considerations

How familiar are you with KPMG's policies on competition law and insider trading?

Time estimated:
7 minutes.



Your Obligations to Report

Would you know what to do if you suspected non-compliance with laws, regulations, professional standards, or KPMG policy?

Time estimated:
9 minutes.



Quick Review

A quick review of what you've learned before you try the assessment...

Time estimated:
2 minutes.



Assessment

Let's see how much you've learned from this course...

Time estimated:
12 minutes.

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Congratulations! You've completed the Acting with Integrity course!

If you're ready to leave the course, click the **Close** button.

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Introduction



Our shared responsibilities...

At KPMG, everything we do must be consistent with our Value to **act, above all, with integrity**. All of our actions and decisions – individually and as part of a team – determine whether KPMG is successful in protecting its brand and reputation, growing its business, and upholding its responsibilities to its people, its member firms' clients, the capital markets, and the world's communities.

Completing this training is critical as it provides you with an overview of **your responsibilities for behaving ethically** under the Global Code of Conduct. It also summarizes certain **policies** KPMG has in place to help drive a culture of ethics and compliance throughout our network.

Take a look at the **key areas** we'll consider in this training course:

- KPMG's Global Code of Conduct**
- Compliance**
- Reporting suspicions**

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Introduction

KPMG's Global Code of Conduct

KPMG's Global Code of Conduct (Global Code) provides you with an understanding of the **standard of ethical conduct** that KPMG requires around the world. The Global Code applies to **all KPMG partners and employees** – regardless of title or position – and serves as a road map to help guide your actions and behaviors while working at KPMG.

Understanding and complying with KPMG's internal policies, as well as external laws, regulations and professional standards are a fundamental part of behaving ethically and with integrity.



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Introduction

Compliance

It is KPMG policy that all KPMG partners and personnel always comply with **applicable laws, regulations and professional standards**, as well as **KPMG policy**.

Non-compliance is taken very seriously at KPMG. There are significant legal, regulatory and reputational risks associated with a **failure to comply**, and sanctions may be imposed on KPMG firms and on individual partners and personnel, up to and including termination of employment.



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Reporting suspicions

Under the Global Code, you and everyone else at KPMG share a responsibility to **speak up** if you observe that someone is not behaving in accordance with our Global Code, or you suspect someone has not complied with a KPMG policy, or an external law, regulation or professional standard. KPMG has policies so that you can report your suspicions of non-compliance to the appropriate person at your member firm.

The Global Code encourages all KPMG partners and employees to **raise ethical and professional issues without fear of retaliation**. KPMG International has a 'Whistle-blowing Hotline' where you can confidentially report any suspicions you may have of non-compliant or unethical behavior; your member firm may have its own Hotline that you can also use.



Our shared responsibilities...

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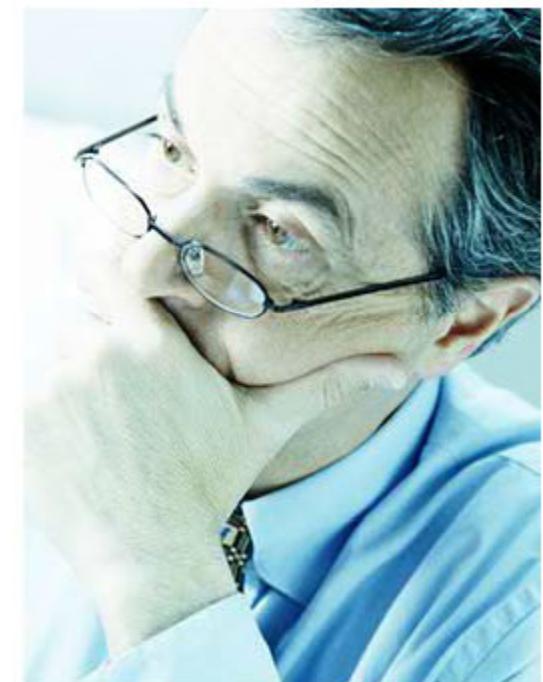


Introduction

What this course covers...

This training course deals with four principal areas:

1. KPMG's **Values** and the **Global Code of Conduct**;
2. KPMG's **policies** on bribery, facilitation payments, gifts & entertainment, competition law and insider trading;
3. The **importance of behaving ethically and complying** with laws, regulations, professional standards, and KPMG policy; and
4. What you should do if you have **concerns** or **suspicions** about unethical or noncompliant behavior by KPMG firms, personnel, clients or third parties.



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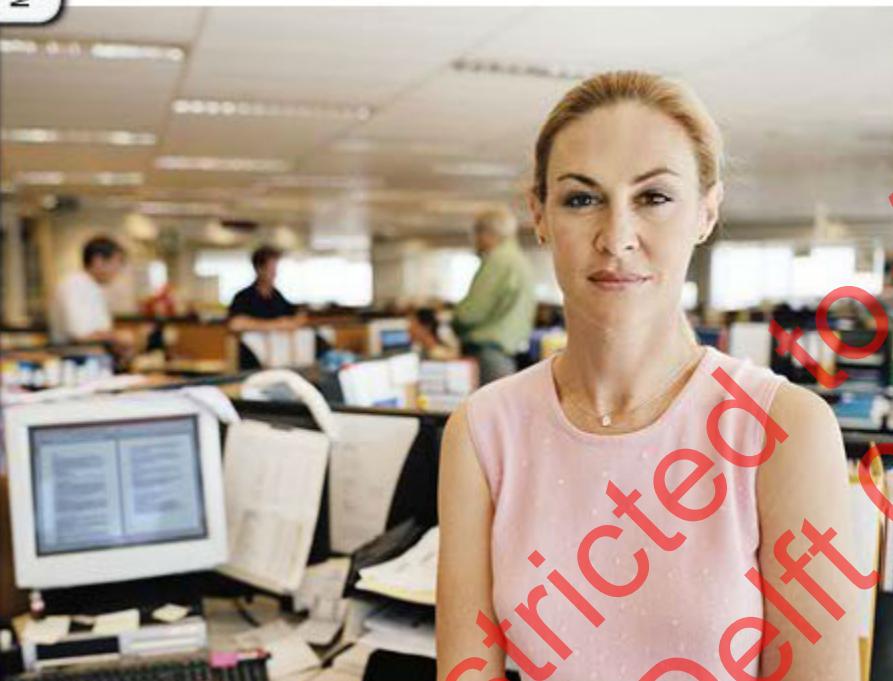


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Introduction



Learning Objectives...

On completion of this training course, you should be able to:

- **Discuss** the behaviors expected of all KPMG partners and employees as described in the Global Code of Conduct, including KPMG's Values;
- **Explain** the importance of complying with laws, regulations, professional standards and KPMG policy, and the potential consequences of any non-compliance;
- **Identify** activities that could constitute:
 - Bribery,
 - A facilitation payment,
 - Insider trading, or
 - An inappropriate gift or entertainment;
- **Explain** the additional anti-bribery policies relating to suppliers and internal controls;
- **Summarize** KPMG's policies on competition law; and
- **Report** any suspicion of non-compliance with laws, regulations, professional standards or KPMG policy in accordance with KPMG policy.

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Introduction

In addition...

The policies described in this training course are the **minimum standard** that all KPMG member firms are required to have in place. Your KPMG firm may have **additional policies** on bribery, facilitation payments, and the other topics in this course in order to address local laws, regulations, or professional standards. Similarly, your KPMG firm may have **tailored** the Global Code of Conduct to meet any **local requirements** that may exist.

It is your responsibility to **know and comply** with any additional local policies or Code of Conduct your KPMG firm has; your member firm's Risk Management Partner or team can help answer any questions about this.



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Acting with Integrity (2012) A Framework for Ethical Behavior

A Framework for Ethical Behavior

Let's explore KPMG's framework for ethical behavior...

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A Framework for Ethical Behavior

Introducing KPMG's Global Code of Conduct

The Global Code of Conduct (revised in 2012) expressly lays out the **expectations of ethical behavior** for all people at KPMG. It is built on the foundation of the KPMG Values, which are our set of **shared values and principles**.

The Global Code is intended for use by everyone at KPMG. This includes:

- **Our leadership and management teams** – to guide their decision-making and the examples they set as role models for more junior personnel;
- **New and prospective employees** – as a guide to the ethical culture of the KPMG member firm they have joined or are considering joining;
- **Our clients, our suppliers and our contacts** – so they understand the ethical culture of the organization they are dealing with; and
- **All our people** – so that we know the behaviors expected of us and our responsibilities for 'living' our Values each and every day while working at KPMG.

Let's take a look at the Global Code in more detail...

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Click **Next** to find out more about the **Global Code of Conduct...**

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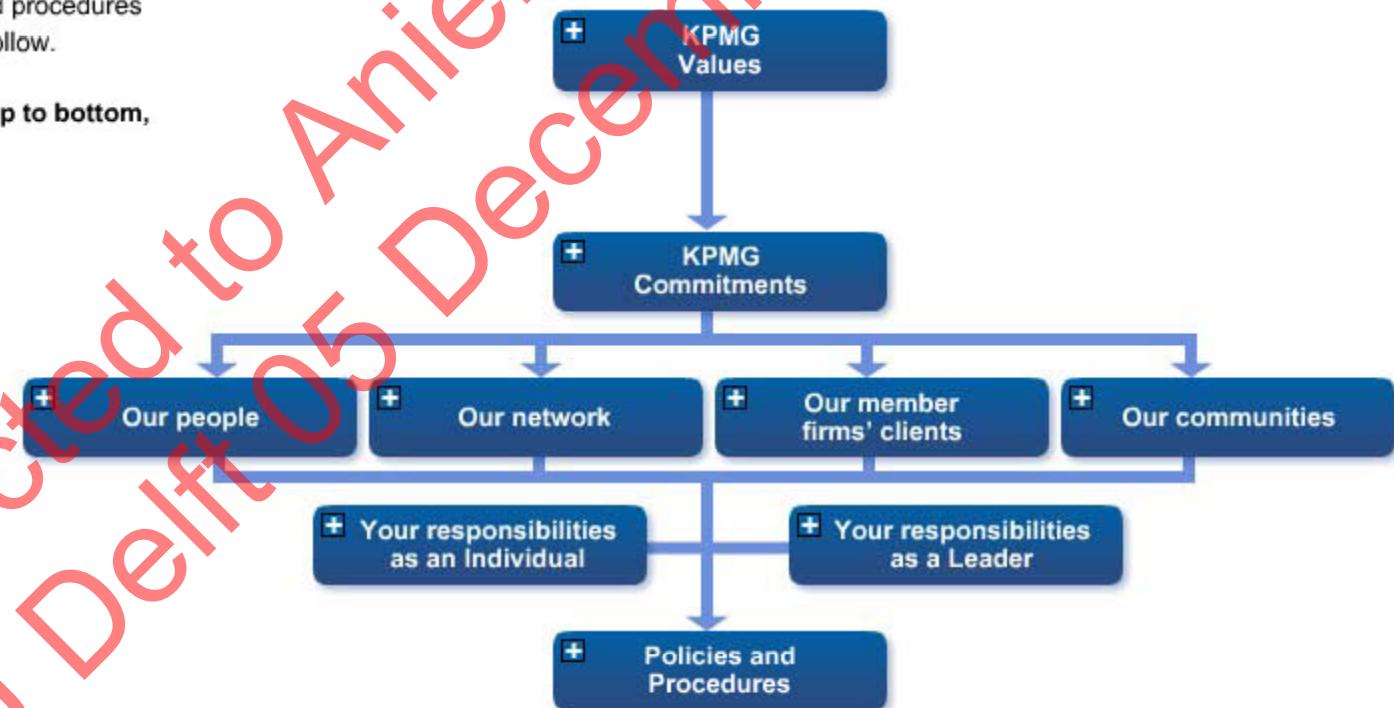


A Framework for Ethical Behavior

KPMG's Global Code of Conduct

This diagram shows how the Global Code connects our Values with the detailed policies and procedures that our member firms and our people follow.

Click each **part of the diagram from top to bottom, left to right** to learn more...



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A Framework for Ethical Behavior

KPMG's Global Code of Conduct

KPMG Values

Our Values lie at the heart of the way we do things at KPMG. They define our culture and our commitment to the highest principles of personal and professional conduct.

Move your cursor over each Value in the diagram to find out more.

```
graph TD; A["KPMG Values"] --> B["KPMG Commitments"]; B --> C1["Our people"]; B --> C2["Our network"]; B --> C3["Our member firms' clients"]; B --> C4["Our communities"]; C1 --> D1["Your responsibilities as an Individual"]; C1 --> D2["Your responsibilities as a Leader"]; D1 --> E["Policies and Procedures"]; D2 --> E;
```

The diagram illustrates a framework for ethical behavior. At the top is a box listing KPMG Values: Leading by example, Working together, Respecting the individual, Seeking the facts, Communicating openly and honestly, Being committed to our communities, and Above all, acting with integrity. An arrow points from this box down to a blue box labeled "KPMG Commitments". From "KPMG Commitments", four arrows point down to four blue boxes labeled "Our people", "Our network", "Our member firms' clients", and "Our communities". Finally, two arrows point down from "Our people" and "Our network" to two blue boxes labeled "Your responsibilities as an Individual" and "Your responsibilities as a Leader", which both point down to a final blue box labeled "Policies and Procedures".

Click each part of the diagram from top to bottom, left to right to learn more...

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A Framework for Ethical Behavior

KPMG's Global Code of Conduct

This diagram shows how the Global Code connects our Values with the detailed policies and procedures that our member firms and our people follow.

Click each part of the diagram from top to bottom, left to right to learn more...

KPMG Commitments

Although our Values remain unchanged since their introduction in 2005, the Global Code's Commitments have been revised in 2012 to not only keep pace with developments in law, regulation and professional ethics, but also to consider the issues of the world at large and our role in being a positive agent of growth and sustainability.

```
graph TD; A[KPMG Values] --> B[KPMG Commitments]; B --> C[Our people]; B --> D[Our network]; B --> E[Our member firms' clients]; B --> F[Our communities]; D --> G[Your responsibilities as an Individual]; D --> H[Your responsibilities as a Leader]; G --> I[Policies and Procedures]; H --> I;
```

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KPMG's Global Code of Conduct

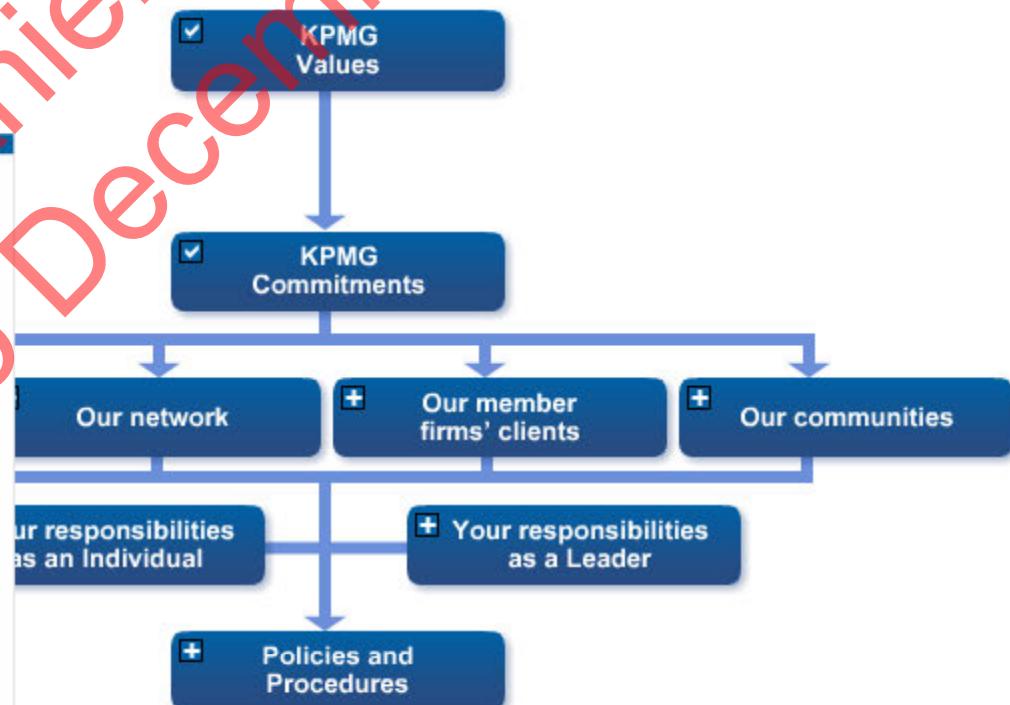
This diagram shows how the Global Code connects our Values with the detailed policies and procedures that our member firms and our people follow.

Click each part of the diagram from top to bottom,

Our people

Our people are the **employees, partners, subcontractors, consultants and others** with whom we work in the provision of, and support of, professional services. Our commitments to our people are to:

- Help our people to be objective, ethical, and professional;
- Encourage our people to raise ethical and professional issues without fear of retaliation;
- Invest in our people's professional development so that they can reach their full potential;
- Champion an inclusive and collaborative culture that is free from bullying, discrimination, and harassment, where everyone is treated with respect and dignity;
- Respect the confidentiality of our people's personal data;
- Provide a safe and healthy work environment;
- Provide appropriate work/life flexibility; and
- Maintain a just and fair approach to remuneration.



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KPMG's Global Code of Conduct

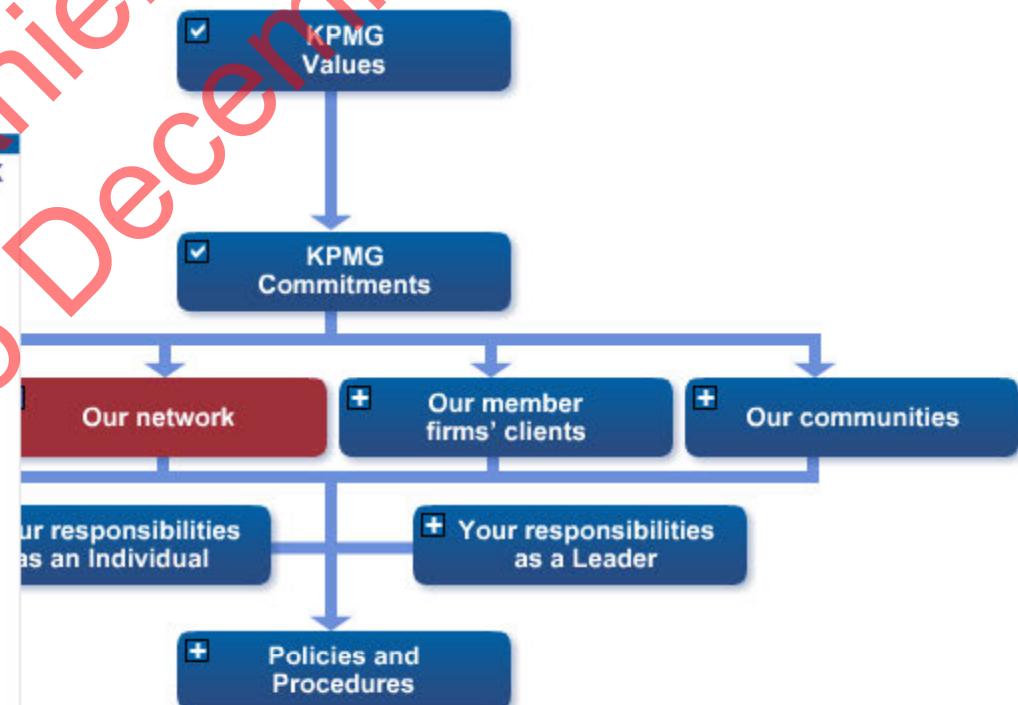
This diagram shows how the Global Code connects our Values with the detailed policies and procedures that our member firms and our people follow.

Click each part of the diagram from top to bottom,

Our network

Our network is the **organizational structure** which links KPMG firms around the world. Our commitments to our network are to:

- Accept the right clients and only accept engagements that we can perform consistent with our high-quality standards;
- Work with clients, suppliers and sub-contractors that live up to KPMG's core ethical standards;
- Drive quality by developing and applying appropriate KPMG methodologies and procedures;
- Address challenging situations in the right way by applying professional ethics and consulting with experienced people within KPMG to reach the right conclusions;
- Strive at all times to protect and enhance KPMG's brand and reputation; and
- Keep assets and resources safe and use them only for appropriate business purposes.



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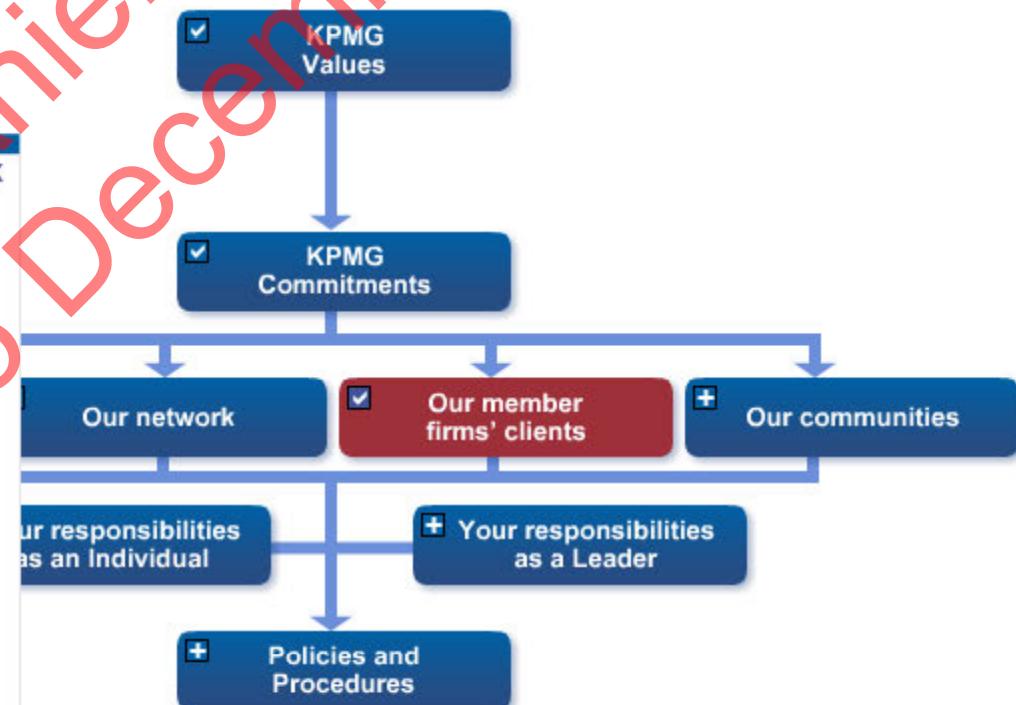
This diagram shows how the Global Code connects our Values with the detailed policies and procedures that our member firms and our people follow.

Click each part of the diagram from top to bottom,

Our member firms' clients

Our member firms' clients are the **organizations and individuals** to whom we, or any of the KPMG member firms within our network, provide **professional services**. Our commitments to our member firms' clients are to:

- Deliver a high-quality service to clients in line with our qualifications, experience, professional commitments, and engagement terms;
- Act lawfully, ethically, and in the public interest;
- Maintain independence and objectivity and avoid actual or perceived conflicts of interest;
- Protect our clients' confidentiality and only use their information for proper business purposes;
- Promote member firms' services honestly and compete fairly; and
- Prohibit bribery and corruption by our people, and do not tolerate illegal or unethical behavior by our clients or suppliers or by public officials.



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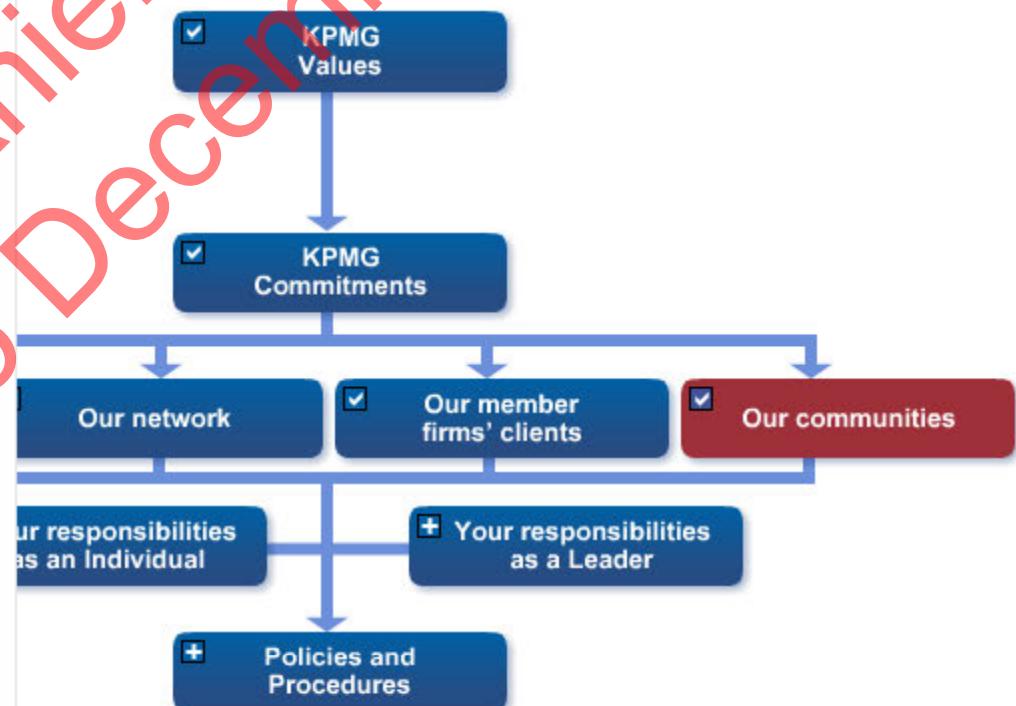
KPMG's Global Code of Conduct

Our communities

Our communities are the **marketplaces, locations, authorities, and societies** in or with which we operate and with which we engage. Our commitments to our communities are to:

- Enhance the role of the accounting profession and build trust in the global capital markets;
- Contribute to a better-functioning market economy;
- Act as a responsible corporate citizen – play an active role in global initiatives relating to climate change, sustainability, and international development;
- Manage our environmental impacts;
- Follow high standards of ethical conduct around the world including aspiring to the ten principles of the U.N. Global Compact; and
- Work with other businesses, governments, and charitable organizations to create stronger communities.

More info: The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the following areas: human rights, labor, environment and anti-corruption.



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KPMG's Global Code of Conduct

This diagram shows how the Global Code connects our Values with the detailed policies and procedures that our member firms and our people follow.

Click each part of the diagram from top to bottom, left to right to learn more...

Your responsibilities as an Individual

Everyone at KPMG is individually responsible for ensuring our Commitments are met.

As an Individual:

- **Stay informed** – Participate in training, read communications, use KPMG resources, and consult when necessary to stay informed about laws, professional standards, and KPMG policies that apply to you in your work.
- **Stand firm** – No matter how strong the pressure to achieve targets or to act in an inappropriate way, you should never compromise KPMG's Values. Do not be afraid to express differences of opinion or deliver unwelcome messages.
- **Take ownership** – Incorporate the principles of the Global Code into your daily activities. You are responsible for safeguarding KPMG's integrity. It takes only one person to damage it.
- **Raise issues** – Your voice counts. Speak up if something does not seem right. Raise your concerns and offer suggestions for improvement.
- **Consult with others** – You are not expected to know everything and you should consult when in doubt or if you think you or someone else might have made a mistake.

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A Framework for Ethical Behavior

KPMG's Global Code of Conduct

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Click each part of the diagram from top to bottom, left to right to learn more...

Your responsibilities as a Leader

If you have a leadership role – whether you are a partner or even a supervisor of a small team – you have additional responsibilities as outlined below.

As a Leader:

- **Lead by example** – Show through your actions what it means to act with integrity and to act in accordance with the principles of the Code.
- **Support your team** – Ensure that those you lead know and understand the Code and have access to the resources they need to adhere to the KPMG Values.
- **Develop your team** – Set clear, measurable, and challenging goals that promote ethical behavior and the highest standards of client service.
- **Uphold exemplary standards** – As a leader, you should enforce KPMG's standards consistently and fairly, and promote compliance with the Code among those you lead.
- **Exercise your judgment** – Respond thoughtfully and carefully to those who raise questions and concerns in good faith.
- **Be accountable** – You should be prepared to be held personally accountable for any shortcomings in your own behavior as well as those of the people you lead.

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KPMG's Global Code of Conduct

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Click each part of the diagram from top to bottom, left to right to learn more...

Policies and Procedures

Each KPMG partner and employee is **personally responsible** for following the legal, professional, and ethical standards that apply to his or her job function and level of responsibility. All the policies and procedures your KPMG member firm has in place help you to comply with these legal, professional, and ethical standards.

```
graph TD; A[KPMG Values] --> B[KPMG Commitments]; B --> C[Our people]; B --> D[Our network]; B --> E[Our member firms' clients]; B --> F[Our communities]; C --> G[Your responsibilities as an Individual]; C --> H[Your responsibilities as a Leader]; G --> I[Policies and Procedures]; H --> I;
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KPMG Values

KPMG Commitments

Our people

Our network

Our member firms' clients

Our communities

Your responsibilities as an Individual

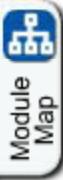
Your responsibilities as a Leader

Policies and Procedures

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Click **Next** to see what you remember about your responsibilities...

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Let's try a quick activity

You just saw that you have a range of responsibilities under the Global Code of Conduct. Do you recall what some of your individual or leadership responsibilities are?

As each responsibility appears, click either '**Personal**' or '**Leadership**' to assign that responsibility to that column.

Click **Start** to begin...

Personal

► Start

Responsibilities

Leadership

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Click **Next** to continue...

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Click **Start** to begin...

Personal

- Raise issues if something doesn't seem right.
- Take ownership of integrating the principles of the Code into your daily work.
- Consult with others if in doubt.
- Stay informed about relevant laws, professional standards and KPMG policies.

No, you didn't answer all correctly.
Click Show correct answers.

Show my answers

Leadership

- Be accountable for any personal or team shortcomings.
- Exercise your judgment.
- Uphold exemplary standards.

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A Framework for Ethical Behavior

Putting the Code into practice

We all make decisions each day. In our work at KPMG, these decisions may be directly related to a particular **client situation** or to an internal KPMG administrative matter. Even the behaviors we demonstrate in our **interpersonal relationships** reflect our approach to decision-making – whether we're dealing with client personnel, our KPMG colleagues, other business associates, family members, or friends.

The Global Code of Conduct can help us all **behave ethically** and make appropriate **decisions** when faced with challenging or difficult decisions every day at KPMG. Let's meet Isabelle...

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Click [Next](#) to review a day in the life of a KPMG employee...

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A Framework for Ethical Behavior

A day in the life of Isabelle...

Isabelle is an Audit senior manager leading a team that is auditing an energy and natural resource client.

Let's take a look at a day in Isabelle's life. Click each image in the order presented to reveal how Isabelle's day progresses.

+

+

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Click each image to reveal what happened in Isabelle's day...

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A day in the life of Isabelle...

Isabelle is an Audit senior manager leading a team that is auditing an energy and natural resource client.

Let's take a look at a day in Isabelle's life. Click each image in the order presented to reveal how Isabelle's day progresses.

Isabelle is at the client's office and is meeting with client personnel as part of the year-end audit.

When going to the cafeteria to get lunch, she walks past a table where two of the **client's managers** are sitting. One of them seems angry and she overhears him say:

"I can't believe we didn't win the contract to build the dam. I did everything I could. I even arranged an all-expenses-paid overseas trip for the government official and his family. I made sure that they received 'five-star' treatment by staying in the best hotels, eating in the best restaurants, and getting access to the best entertainment."

Click each image to reveal what happened in Isabelle's day...

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A Framework for Ethical Behavior

A day in the life of Isabelle...

Isabelle is an Audit senior manager leading a team that is auditing an energy and natural resource client.

Let's take a look at a day in Isabelle's life. Click each image in the order presented to reveal how Isabelle's day progresses.

Later that day, Isabelle is back in her KPMG firm's office. She tells her engagement partner about the conversation she overheard concerning the contract for building the dam. Now Isabelle has one more thing to do before going home.

Before she leaves the office that night, Isabelle needs to submit her claims for reimbursement of business-related expenses. She has the receipt for today's round-trip train journey between the client and her KPMG office. In addition, Isabelle has receipts for tickets to a sporting event and drinks that she recently enjoyed with friends one weekend.

Isabelle decides that she will also claim reimbursement for the sporting event and drinks, since one of the friends who accompanied her is employed by one of her KPMG firm's clients.

Click **Next** to take a closer look at these situations in Isabelle's day...

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A Framework for Ethical Behavior

Were Isabelle's actions and decisions appropriate?

Think back to the **choices** Isabelle made throughout her day. Would you have done what she did in any of those situations?

Are there any **potential instances** of unethical or unlawful behavior in Isabelle's scenario?

Select the **correct answers** from the following responses...

The conversation that Isabelle overheard should cause her to suspect that the client bribed a government official to obtain a contract.

It was not necessary for Isabelle to mention the conversation she overheard to her engagement partner, since the client was not awarded the contract to build the dam.

Isabelle should not request that her firm reimburse her for the cost of the sporting event and drinks. Even though one of the friends who accompanied her is employed by a KPMG client, this is not a sufficient reason to request reimbursement.

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I'm Done

Click **Next** to continue...

Feedback

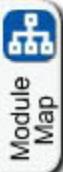
That's not correct.

Isabelle acted appropriately by reporting the conversation she overheard to her engagement partner, but she did not act appropriately by claiming reimbursement from her KPMG firm for personal expenses.

Click **Next** to take a closer look at why Isabelle's actions were appropriate or inappropriate.

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A Framework for Ethical Behavior

Assessing Isabelle's actions

The conversation that Isabelle overheard should cause her to suspect that the client bribed a government official and is likely to have **breached applicable anti-bribery law**. It doesn't matter that the bribery didn't appear to succeed.

Did Isabelle do the right thing?

Under the Code, we do not tolerate bribery or corruption.

One of Isabelle's responsibilities under the Global Code is to **raise issues and speak up** if something does not seem 'right' or appropriate. The Global Code and KPMG policy require KPMG personnel to report any suspicion of unlawful, non-compliant or unethical behavior - no matter if it has happened or may be about to happen - to the appropriate person in their member firm (in Isabelle's case, her engagement partner).

By reporting the suspicious conversation, Isabelle **demonstrated ethical conduct** in accordance with our Values and our Commitments.

Based on the information provided in the scenario, the expenses Isabelle incurred at the sports event were **personal expenses**. Isabelle's decision to claim reimbursement from her KPMG firm for the tickets for the sporting event and the drinks is **inappropriate**; she may have breached her member firm's policies on expense reimbursement and may also have breached applicable laws (for example, those related to theft).

What should Isabelle have done?

Our individual responsibilities under the Global Code include **staying informed** about laws, professional standards and KPMG policies that apply to our work. Isabelle should have reviewed her member firm's **expense reimbursement policies** to determine whether she should claim reimbursement for the tickets and drinks. If she is still not sure, she also has a responsibility to consult with someone else.

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A Framework for Ethical Behavior

Dealing with Client Codes of Conduct

We've just seen a few ways in which our Global Code guides our behavior and decision-making for internal KPMG matters as well as for client-related issues.

But what if a **client** has its own code of conduct and asks you, your engagement team, or your KPMG member firm to 'sign up' and agree to its own code of conduct... **Should you agree to sign?**

- Yes, sign the code.
- No, don't sign!



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A Framework for Ethical Behavior

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But what if a **client** has its own code of conduct and asks you, your engagement team, or your KPMG member firm to 'sign up' and agree to its own code of conduct... **Should you agree to sign?**

Yes, sign the code.

No, don't sign!



The answer is **NO!** If you are asked by a client, a supplier, or another party to sign up to its own code of conduct, you should **consult** with your Risk Management Partner and Office of General Counsel first. There may be provisions within that party's code of conduct that go significantly **beyond** our Global Code (or your member firm's own Code) that may not be relevant to a professional services firm such as KPMG.

These requests often refer to KPMG 'globally' rather than just to you or to your own KPMG member firm. KPMG policy also prohibits one member firm from agreeing to requirements that bind all KPMG member firms without having obtained the express consent of all member firms involved.

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A Framework for Ethical Behavior



The purpose of the Global Code...

In summary, the Global Code:

- Sets out the **commitments** we make every day,
- Defines how we **perform** as individuals and as leaders, and
- Encourages us to act as **role models**.

It promotes **ethical behavior** and ensures that our own actions serve to reflect and reinforce our **Values**.

The behaviors described in the Global Code are also reinforced through KPMG's policies, procedures, and processes. In the next few modules, we'll look at some **specific policies** that help to promote KPMG's culture of ethics and compliance.

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Bribery and Facilitation Payments

Would you be able to identify a bribe if you were offered one? What if you saw one being given to a colleague?

Do you know the difference between a bribe and a facilitation payment?



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Module Map

Bribery and Facilitation Payments

Do you know bribery when you see it?

Do you know what KPMG policy is regarding bribery and facilitation payments?

Would you be able to detect a bribe if a government official, business associate, client or other third party offered you or someone around you one?

Would you know what to do if you were asked to pay a bribe on behalf of a client or suspected that a client or other third party was involved in bribery?

What is a bribe?

A bribe is an **undue benefit** offered or made to **influence** the conduct of:

- a government or other public official; or
- any other person (for example, a private sector employee or entity, a political candidate or political party).

in order to **obtain** or **retain** business or **secure** some other advantage (for example, an advantage in connection with regulatory permits, taxation, customs, judicial or legislative proceedings).

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Click **Next** to learn how KPMG deals with bribes...

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Bribery and Facilitation Payments

How does KPMG deal with bribery?

As far as KPMG is concerned, bribery is **unethical** and **unacceptable** and is inconsistent with our Value of integrity.

KPMG's 2012 Global Code of Conduct specifically includes a Commitment to member firms' clients that KPMG prohibits bribery and corruption by its people and does not tolerate illegal or unethical behavior by our clients, or by suppliers or by public officials.

As a signatory to the United Nation's 'Global Compact' and aspiring to follow the high standards enshrined in the ten principles of that document, KPMG has also committed itself to working against corruption in all its forms, including extortion and bribery.

Actions that can be perceived by others to be a bribe – even when they are not – can be damaging to the KPMG brand.

Any KPMG member firm or KPMG person who knowingly refers a client or other organization or individual to a third party in order to circumvent the law would be in breach of KPMG policies and Code of Conduct.

Most countries have laws prohibiting bribery. Some of these laws are wide-ranging and apply to activities by persons and entities **outside** of those countries. Even if your country does not have its own laws prohibiting bribery, you still need to be aware of other countries' laws as they may impact you.

+ What is KPMG's anti-bribery policy?

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Click the question to learn more about KPMG's policy on bribery...



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Bribery and Facilitation Payments

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What is KPMG's anti-bribery policy?

KPMG firms and KPMG personnel **must not** offer, promise, make, solicit or accept bribes (whether directly or through an intermediary such as a commercial agent) **even if such conduct is legal or permitted under applicable law or local practice**.

KPMG firms and KPMG personnel must also take care that any **third party** who **acts on their behalf** (for example, agents, distributors, consultants, etc.) does not offer, promise, make, solicit or accept bribes on their behalf.

KPMG firms and KPMG personnel must also avoid conduct that may **give the impression** of involvement in bribery.

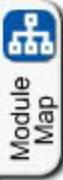
What is KPMG's anti-bribery policy?

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Bribery and Facilitation Payments

Defining and identifying bribery

Feedback

X

That's not correct.

The **value** of the benefit involved will not prevent it being considered a bribe if the benefit was offered or made to influence the conduct of:

- a government or other public official, or
- any other person (for example, a private sector employee or entity, a political candidate or a political party)

in order to obtain or retain business or secure some other advantage.

Which of the following do you think could potentially be used as a bribe?

\$1
A bottle of wine
 \$1000
Free use of a country house for a weekend

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Click **Next** to learn more about bribery...

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Bribery and Facilitation Payments

Other bribery examples to consider...

Here are some other examples of bribery that you might encounter:

- A client from one country pays \$1000 to a public official in another country to "assist" his decision-making in relation to a business contract.
- A KPMG person offers to pay cash to a tax official to obtain a favorable tax ruling on behalf of a client.
- A client offers a KPMG person on the audit team a sum of \$10,000 as a reward for their work on the audit.
- A KPMG person agrees to ignore his KPMG firm's recruitment procedures and offers a job to the son of a major client's finance director.
- A client gives a gift of a car to a government official to ensure the official chooses that client to supply office cleaning services.
- A client promises \$100 to a government inspector to persuade him to ignore violations of health regulations.
- A KPMG person offers \$2000 to a director of a company so that KPMG wins a contract with that company.
- A client asks a KPMG person to arrange for the client to meet with a local agent in a highly corrupt jurisdiction so the client can obtain a license 'in the usual way' in that jurisdiction.

The list above includes examples of "private bribery" – that is, one private citizen bribing another private citizen. This type of bribery is prohibited under KPMG policy, even though in some jurisdictions it may not be prohibited by law.

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Click Next to answer a question about bribery...

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Bribery and Facilitation Payments

Other bribery examples to consider...

Indicate which of the following **factors** (either individually or in combination with others) are relevant when considering whether a third party acting on behalf of your KPMG firm may be offering bribes on your KPMG firm's behalf (or proposing to do so)...

Factor	Relevant	Not Relevant
The third party seems to lack appropriate qualifications or resources.		
The third party has been recommended by the potential recipient of any bribe (for example, a government official).		
The third party has personal or professional ties to the potential recipient of any bribe.		
The amount of fees payable to the third party does not appear to bear a reasonable relationship to the services provided.		
The third party is reluctant to record the total amount of fees to be charged in a written agreement or invoice.		
The third party requests unusual payment processes or financial arrangements (for example, that fees be paid to another party or in another country).		

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Click **Next** to learn about facilitation payments...





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Bribery and Facilitation Payments

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Indicate which of the following **factors** (either individually or in combination with others) are relevant when considering whether a third party acting on behalf of your KPMG firm may be offering bribes on your KPMG firm's behalf (or proposing to do so)...

Factor	Relevant	Not Relevant
The third party seems to lack appropriate qualifications or resources.	✓	✓
The third party has been recommended by the potential recipient of any bribe (for example, a government official).	✓	✓
The third party has personal or professional ties to the potential recipient of any bribe.	✓	
The amount of fees payable to the third party does not appear to bear a reasonable relationship to the services provided.	✓	
The third party is reluctant to record the total amount of fees to be charged in a written agreement or invoice.	✓	
The third party requests unusual payment processes or financial arrangements (for example, that fees be paid to another party or in another country).	✓	✓

I'm Done



Feedback

That's not correct.

All of those factors should be considered relevant. If you find yourself in a situation where any of those factors are present, then you should **report** the issue to your engagement partner or, if it hasn't arisen in the context of an engagement, your RMP. We will review reporting responsibilities later on in this e-learning.

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Bribery and Facilitation Payments

Facilitation payments and KPMG's position

A facilitation payment is a **small payment** or a **gift** of small monetary value made to a public official to secure or expedite the performance of a routine action.

This routine action would be something that is commonly and ordinarily performed by the official and that the payer (or the person on whose behalf the payment is made) is entitled to. The facilitation payment must only cause the action to be performed more quickly or efficiently – it does not affect the nature of the action to be performed.

Which of the following do you think could potentially be **facilitation payments**? Click all that apply.

- Paying \$2 to a customs official to process your luggage through customs more quickly.
- Giving a gift worth about \$5 to an official to expedite obtaining a visa to enter a country.
- Paying \$1000 to a government official to obtain a regulatory permit required to provide audit services.
- Giving of a gift worth about \$10 to an official to expedite supplying power or water to a KPMG office.

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Click **Next** to learn about how the world deals with bribery...

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Bribery and Facilitation Payments

Facilitation payments and KPMG's position

Feedback

That's correct.

Facilitation payments must be small and only cause the routine action to be performed more quickly or efficiently.

Facilitation payments are **illegal** in many countries and are **regarded as bribes**.

Remember, a payment made to retain or obtain business is never a facilitation payment – **it is a bribe**.

Paying \$2 to a customs official to process your luggage through customs more quickly.

Giving a gift worth about \$5 to an official to expedite obtaining a visa to enter a country.

Paying \$1000 to a government official to obtain a regulatory permit required to provide audit services.

Giving of a gift worth about \$10 to an official to expedite supplying power or water to a KPMG office.

Process note

KPMG's policy on facilitation payments says:

KPMG firms, their partners and their employees:

- Are **prohibited** from making facilitation payments on behalf of a client or other third party under any circumstances.
- Must also work towards the **identification** and **elimination** of facilitation payments made for the benefit of a KPMG firm.
- May only make a facilitation payment for the benefit of a KPMG firm (or authorize the making of one on its behalf, including through the use of agents) in the very rare circumstances where:
 - it is **not illegal** under any applicable law or regulation;
 - it is the **only way** to secure the required action;
 - the Risk Management Partner (RMP) has given prior **express written consent** for it to be made;
 - the RMP has **consulted** with his or her Regional RMP before giving such consent; and
 - the payment is clearly **documented** and properly **accounted for**.

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Bribery and Facilitation Payments

How does the world deal with bribery?

Laws governing bribery are becoming increasingly onerous and regulators are becoming more vigilant and aggressive about enforcement. In fact:

- Most countries have anti-bribery laws, some of which are **extra-territorial**.
- Tougher **penalties** against bribery have been introduced in **many countries**.
- There has been an increase in **voluntary disclosures** to the authorities as governments and regulators encourage companies to **confess to past infringements**.
- **Cooperation** at an international level is becoming increasingly frequent as countries share information on, and provide funds for, joint investigations into, target companies and individuals.
- Regulators are expecting a **higher level of compliance** with laws than had previously been the case.
- Several countries have **prosecuted** corporations or individuals for bribery, including China, France, Germany, the U.K. and the U.S. The sanctions imposed (or settlements reached) have either been monetary (ranging from tens of millions of U.S. dollars to over one billion U.S. dollars in one instance) or custodial (that is, individuals in the entities involved in the bribery were imprisoned).
- Significant settlements reached in 2011 for breaching the U.S. 'Foreign Corrupt Practices Act' included Deutsche Telekom (\$95m) and Alcatel Lucent (\$137m).

Laws with extra-territorial reach

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Bribery and Facilitation Payments

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- Regulators are expecting a **higher level of compliance** with laws than had previously been the case.

Laws with extra-territorial reach

There has also been a dramatic increase in the number and magnitude of **cases** and **investigations** by countries such as the U.S. and the U.K., whose anti-bribery laws (the Foreign Corrupt Practices Act in the U.S. and the Bribery Act in the U.K.) also apply to persons **outside** the U.S. and the UK.

Remember, it's your responsibility to know and comply with the particular bribery laws in your local jurisdiction as well as those from other jurisdictions such as the U.S. and the U.K. that have extra-territorial reach. Contact your Risk Management Partner or a member of his / her team for more information.

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Bribery and Facilitation Payments

Linh's story...

Linh's secretary, Raquel, has told her that the work permit can be arranged, however **\$20 in cash** must be paid directly to the embassy official, otherwise it is likely that Linh will not receive the permit in time for her trip.

Linh gives Raquel the \$20 and the work permit is obtained the next day. Unfortunately, Raquel **doesn't get a receipt** for the \$20, and Linh wonders if she can claim the amount back from her KPMG firm as an expense without a receipt.

Linh arrives at the meeting the following week and discusses the progress made on the client's tax returns. The client is pleased that the returns are being prepared on schedule and asks Linh to confirm that her KPMG firm **will handle the entire tax return process** as it did last year, including making any **small on-the-spot payments** to officials, which the client will reimburse.

Linh was not on last year's engagement team but she assumes that if the engagement team followed this process last year, it must be okay to do so again this year. Linh agrees to the client's request...

Click **Linh** to learn how she gets her work permit in time and how her overseas trip goes...



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Bribery and Facilitation Payments

You be the judge...

Now it's your turn to determine whether Linh acted appropriately or not.

Review the items below and determine whether Linh's actions were **appropriate** or **inappropriate** in accordance with KPMG's anti-bribery policy...

Action	Appropriate	Inappropriate
Linh paid \$20 cash to expedite obtaining her work permit.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Linh agreed to make (what appeared to be) facilitation payments on behalf of a client.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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Bribery and Facilitation Payments

Feedback

That's exactly correct.

Linh's actions could have serious consequences for her and her KPMG firm.

She did not follow the procedure set out in KPMG's policy to determine whether it was acceptable to pay the \$20 to expedite obtaining the work permit.

Linh should have obtained approval from her RMP. Before giving his or her approval, the RMP is required to consult with his or her Regional RMP and be satisfied that the \$20 payment:

- a) Is a facilitation payment (that is, the amount of the payment is judged to be small in consideration of the relative wealth of the country in which they are based; Linh is entitled to the work permit if the facilitation payment is not made; and the \$20 payment merely 'speeds up' the process).
- b) Is not illegal under any applicable law or regulation.
- c) Is the only way to secure the work permit in time.
- d) Is clearly documented and properly accounted for.

These conditions are expected to be satisfied in very rare circumstances.

KPMG policy also expressly prohibits making bribes or facilitation payments on behalf of clients or third parties under any circumstances. Linh should not have agreed to make 'any small on-the-spot payments' to officials on behalf of her client in connection with its tax returns. In addition, Linh should have informed her engagement partner that it appears that last year's engagement team made these payments, since by doing so they could have potentially breached applicable law or regulation at that time.

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Click **Next** to learn about KPMG's position on gifts and entertainment...

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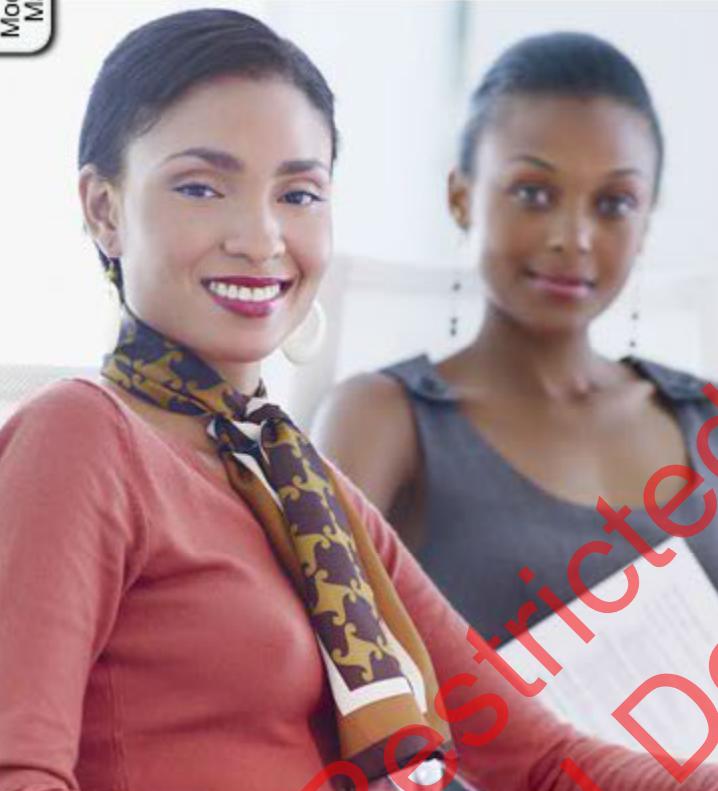
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Module Map

Bribery and Facilitation Payments



Gifts and entertainment and KPMG's position

It is customary in many countries for businesses to occasionally make small gifts to customers and contacts, to entertain them at restaurants, sporting or cultural events or to provide them in some other way with a benefit of value. In many instances, the offering or receiving of such gifts or entertainment is innocent in nature and is an acceptable way of maintaining good relations with the individuals concerned.

However, we need to exercise care when offering, promising, making, soliciting or accepting gifts and entertainment because, depending on their value, frequency, duration or nature, they might be considered to be inappropriate or, in certain circumstances, as a bribe.

You should avoid all situations in which the offering, promising, making, soliciting or accepting gifts or entertainment casts doubt over the integrity, independence, objectivity or judgment of KPMG or the client, prospective client or third party (such as a government or government official).

Remember, there may be specific laws in your jurisdiction that make it illegal for certain parties (such as government officials) to give or receive gifts or entertainment. Make sure you know what these are.

Your clients may even have their own policies about giving and receiving gifts and entertainment.

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Bribery and Facilitation Payments

Gifts and entertainment and KPMG's position

Although the factors will depend on the circumstances of each case, issues that you should consider in a particular situation may include whether the offer, promise, making, solicitation or acceptance of gifts and entertainment is:

- Reasonable and customary under the circumstances;
- Not motivated by a desire to influence the recipient's objectivity in making a business decision;
- Not of a level, type or frequency that the KPMG member firm or KPMG personnel would feel uncomfortable about disclosing to the client's audit committee or its non-executive directors (or, if neither an audit committee or non-executive directors exist, the entire Board/Board of Trustees);
- Provided openly and transparently;
- In the case of hospitality and travel, provided in connection with a legitimate business purpose;
- In the case of corporate discounts, not provided on terms and conditions that are more generous than those offered to and being taken up by employees of similar large corporations;
- Not in the form of cash payments or cash equivalents, for example checks, loans, stock, stock options
 - In general, such payments would, on the face of it, cast doubt on an individual's or firm's integrity;
- In compliance with the recipient organization's policies if these are more restrictive than KPMG's policy and any additional policies, procedures and guidelines that the relevant KPMG member firm may have; and
- In compliance with the spirit of KPMG's Global Code of Conduct.



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Bribery and Facilitation Payments

What do you think?

Which of the following examples of gifts and entertainment might be considered to be **inappropriate** and should therefore be **avoided**?

- The client takes the entire audit engagement team out to dinner to celebrate the conclusion of the year-end audit.
- An Advisory partner and manager invite representatives of an investment bank with which they worked in the past to join them in KPMG's corporate box to watch a prestigious tennis match.
- A supplier in the electronics retail business offers to sell the KPMG procurement manager a tablet computer at a price less than that at which the supplier makes the tablet available to its own staff.
- A partner, senior manager and manager working on a client's initial public offering (IPO)/listing are invited by the client to spend a week visiting the offices of one of its overseas subsidiaries. Although the overseas subsidiary – based in a country that is a popular holiday destination – is not material to the client's results and is of little relevance to the IPO/listing, the client has agreed to pay for first-class travel and accommodation for these KPMG individuals.

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Bribery and Facilitation Payments

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I'm Done

Feedback

That's correct.

If a KPMG person is offered goods at a price lower than that at which the client or a supplier would offer them to its own staff, it is possible that the client or the supplier is trying to influence the actions of that KPMG person. The KPMG person should decline the gift and report it to his or her engagement partner (or to his or her Risk Management Partner if that KPMG person does not have a client-facing role).

Where a client offers to fund an all expenses paid trip that has no obvious business purpose, the team should decline the offer and report the incident to the engagement partner.

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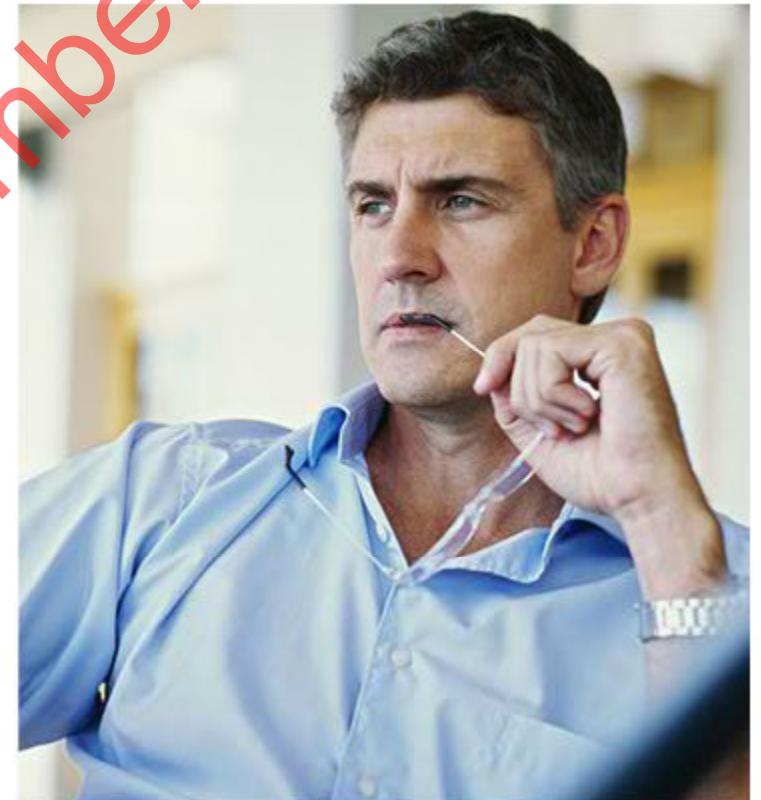
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KPMG Policy on Gifts and Entertainment

KPMG's policy states that its member firms and personnel shall not, (whether directly or through an intermediary), offer, promise, make, solicit or accept gifts or entertainment where:

- The monetary value, frequency, duration or nature is such as to cast doubt on the KPMG member firm's or the individual's integrity, independence, objectivity or judgment; or
- The gift or entertainment constitutes a bribe as defined under KPMG policy; or
- This would otherwise result in a breach of applicable laws.

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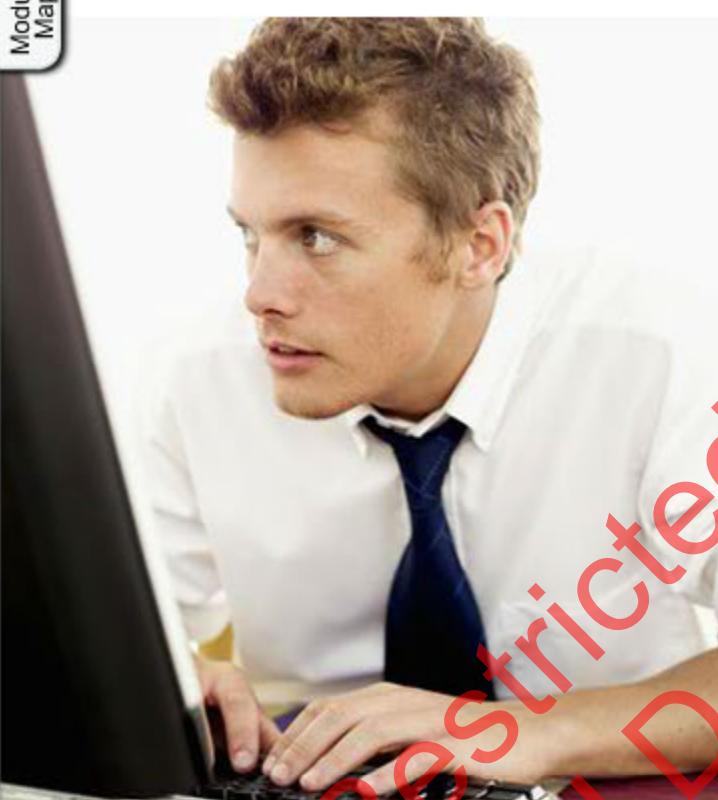


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Bribery and Facilitation Payments

Other considerations relating to bribery

The potential for exposure to bribery does not just arise in client facing situations. Those working in areas that support a member firm's business, such as procurement, marketing, or finance or accounting departments, may also come across bribery or suspicions of bribery in the normal course of their work. KPMG has policies that apply to people working in these areas.

These policies cover (1) appropriate anti-bribery steps to take in respect of suppliers, and (2) the internal controls in relation to bribery that member firms should establish in their accounting departments.

The importance of these policies is reinforced by KPMG's 2012 Global Code of Conduct, which added a specific Commitment that our network works with clients, suppliers and sub-contractors that live up to KPMG's core ethical standards.

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Click **Next** to learn about KPMG's position and policy on suppliers...

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Bribery and Facilitation Payments

Suppliers: KPMG's position and Policy

KPMG member firms shall take appropriate steps to mitigate the risk of conducting business with supplier organizations which may be involved in the offering, promise, making, solicitation or accepting of bribes even if such conduct is legal or permitted under applicable law or practice.



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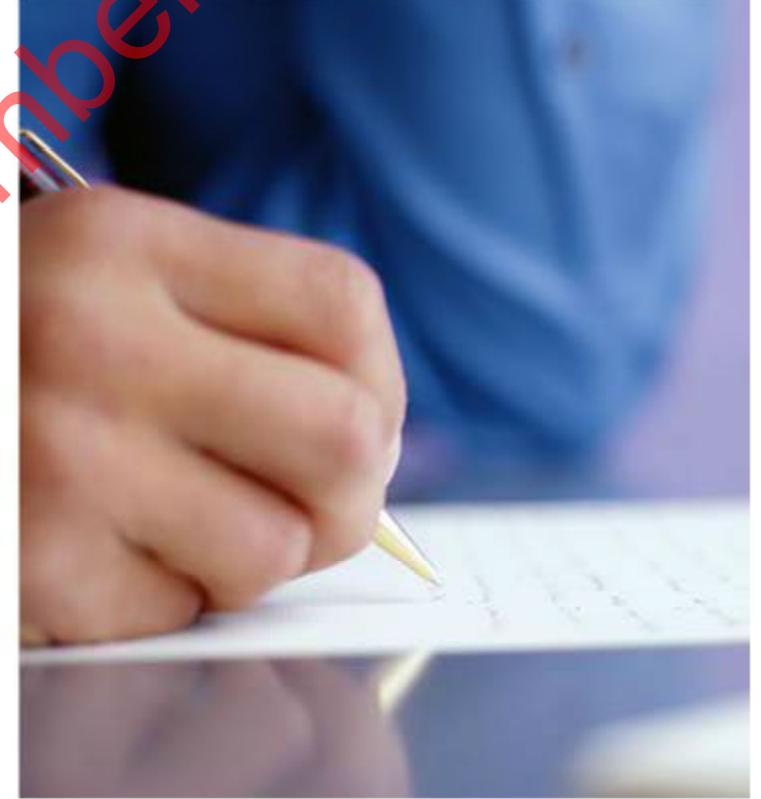
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Suppliers: Additional Guidance on KPMG's Policy

KPMG member firms should adopt a risk-based approach in determining what the appropriate steps are with respect to a supplier in a particular situation. In doing so, factors such as (but not limited to) the amount of money the firm spends with the supplier, the type of goods or services provided by the supplier, the sector in which the supplier operates, the corruption and bribery environment in the country where the supplier is based or is operating, and the reputation of the supplier in connection with bribery and corruption related issues may need to be considered.

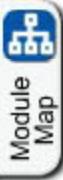
Particular attention should also be paid to situations where a supplier represents KPMG in its dealings with a governmental authority. Specific examples of such a situation would be where an individual or organization engages in visa or permit services, or negotiates with tax authorities on behalf of a KPMG member firm.

Where a supplier is also a client, it will not generally be necessary to undertake any further bribery-related investigations, as relevant procedures should have been completed as part of the client & engagement acceptance and continuance (CEAC) process. Member firms will need to ensure that they comply with other relevant regulations and professional standards, for example those relating to independence.



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Bribery and Facilitation Payments

Suppliers: Applying the Policy

The policy's guidance recommends that the following actions be considered in respect of suppliers identified as being potentially high risk:

- Ascertaining what anti-bribery policies, training programs and compliance regime the supplier has in place;
- Making suppliers aware of KPMG's anti-bribery policies – consideration can be given to asking them to agree to abide by KPMG's policies as a prerequisite for getting KPMG's business;
- Monitoring suppliers' conduct for any sign of activities that could constitute bribery (for example, unusual payment patterns; requests for payments to be made to another party or in a country different to that in which the contracting parties are based; an unwillingness to provide invoices for goods or services provided or to record in writing the total consideration payable); and
- Including a legal right to terminate in the contract if it becomes apparent that a supplier has been involved in conduct that is inconsistent with KPMG's anti-bribery policies or ethical standards (that is, the Global Code of Conduct).

Which of the following suppliers may warrant further inquiries?

- The supplier provides work permit and visa services to your firm
- The supplier is based in a country that has a high rating in Transparency International's "Corruption Index" and is one of your firm's major suppliers
- The supplier is also a client for whom the client engagement and acceptance procedures have been successfully completed
- The supplier provides stationery (pens, pencils etc) and has been providing these goods to your firm for a number of years
- The supplier has been under investigation by regulatory authorities in a number of jurisdictions concerning bribery and other unethical behavior
- The supplier acts as your firm's agent in dealing with your firm's tax matters with the relevant government agency

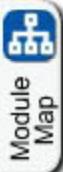
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Bribery and Facilitation Payments

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The policy's guidance recommends that the following actions be considered in respect of suppliers identified as being potentially high risk:

- Ascertaining what anti-bribery policies, training programs and compliance regime the supplier has in place;
- Making suppliers aware of KPMG's anti-bribery policies – consideration can be given to asking them to agree to abide by KPMG's policies as a prerequisite for getting KPMG's business;
- Monitoring suppliers' conduct for any sign of activities that could constitute bribery (for example, unusual payment patterns; requests for payments to be made to another party or in a country different to that in which the contracting parties are based; an unwillingness to provide invoices for goods or services provided or to record in writing the total consideration payable); and

Feedback

That's not correct.

Determining whether a supplier or potential supplier should be investigated further depends on a risk-based assessment. This will depend on the circumstances of each case. The correct answers outlined to the right suggest potentially higher risk.

Which of the following suppliers may warrant further inquiries?

- The supplier provides work permit and visa services to your firm
- The supplier is based in a country that has a high rating in Transparency International's "Corruption Index" and is one of your firm's major suppliers
- The supplier is also a client for whom the client engagement and acceptance procedures have been successfully completed
- The supplier provides stationery (pens, pencils etc) and has been providing these goods to your firm for a number of years
- The supplier has been under investigation by regulatory authorities in a number of jurisdictions concerning bribery and other unethical behavior
- The supplier acts as your firm's agent in dealing with your firm's tax matters with the relevant government agency

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Bribery and Facilitation Payments

Suppliers: Applying the Policy

Where you have identified a particular supplier or potential supplier as being potentially higher risk, which of the following actions would you consider taking?

- ✓ Asking the supplier if it has anti-bribery policies
- ✓ Asking the supplier if it has an anti-bribery training program, and if so, asking it what that program deals with, when it was rolled out, and who is required to participate in it
- ✓ Asking the supplier if it has internal controls in place concerning anti-bribery
- ✓ Asking the supplier if it has an anti-bribery compliance program and what remedial action is taken if individuals are found not to have complied with the policies
- ✓ Asking the supplier to comply with KPMG policies on anti-bribery
- ✓ Including a requirement in the contract to comply with KPMG policies on anti-bribery as a pre-requisite for getting KPMG's business
- ✓ Requesting that the supplier agrees to the monitoring of its conduct for any signs of activity that could constitute bribery

I'm Done

Feedback

That's not correct.

Establishing that a supplier has in place adequate anti-bribery policies, supported by high quality staff training, internal controls, an appropriate compliance regime and, if necessary, putting in place the appropriate contractual terms between KPMG and the supplier will all assist in making a determination as to whether it is appropriate to conduct business with the supplier in question.

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Bribery and Facilitation Payments

Internal Controls in Connection With Bribery

KPMG's Position and Policy

An organization's internal controls can have a significant impact on the ease with which bribes can be paid and concealed. An environment in which it is easy to set up bank accounts and the standards of bookkeeping are poor (for example, where there are few or no checks over the authorization of payments and where cash payments are usual practice) increases the opportunities for bribery to take place. As such, the establishment of clear and effective internal accounting and financial controls are required.

To this end, KPMG has the following policy:
KPMG member firms shall establish appropriate internal controls within their internal accounting functions which mitigate the risk of involvement in bribery by KPMG member firms and KPMG personnel.



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Bribery and Facilitation Payments

Internal Controls: Applying the Policy

What constitutes "appropriate" internal controls will vary from member firm to member firm, depending on the size and complexity of their business. However, the following controls should be considered:

Managing bank accounts

- Keep the number of bank accounts operated to a minimum;
- Centralize the management and oversight of accounts in existence;
- Require the approval of either the Senior Partner or the Risk Management Partner for the opening of new accounts; and
- Ensure that the firm's name is included in the name of all bank accounts.

Authorizing invoices

- Ensure the appropriateness of an expense (with regard to both its nature and its amount) prior to authorizing an invoice for payment; and
- Consider having two people authorize an invoice before passing it for payment.

Paying invoices

- Centralize and automate the payment process wherever possible; and
- Introduce restrictions on and controls over the issuance of cash advances to employees.

Maintaining books and records

Ensure that books and records accurately reflect the transactions which have taken place in the business.

Reviewing process

- Establish an effective system of internal controls over payments to suppliers and other third parties; and
- Regularly audit the adequacy of these controls.

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Bribery and Facilitation Payments

Internal Controls: Applying the Policy

Which of the following actions or features do you think constitute appropriate internal controls?

- ✓ Centralizing the management and oversight of accounts in existence
- ✓ Ensuring the appropriateness of an expense (both regard to its nature and its quantity) prior to authorizing an invoice for payment
- Decentralizing payment processes and only automating such processes if it is cost effective to do so
- ✓ Ensuring that books and records accurately and clearly reflect the transactions that have taken place in a business
- Accounting records in which the beneficiaries of any disbursements are not clearly identified
- Improper accounting treatment of payments made to suppliers
- Allowing submission of expense claims without documentation
- Journal entries that do not have appropriate supporting documentation or which cannot be agreed to other records (for example, a check register or cash disbursements journal)

I'm Done

Feedback

That's not correct.

Putting robust internal controls in place should make a major contribution towards mitigating the risk of involvement in bribery by your KPMG member firm and its personnel.

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Other Considerations

What other KPMG policies help us behave ethically and act with integrity?



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Other Considerations

Other policies you need to know

In addition to being familiar with KPMG's Global Code of Conduct and our policies on bribery and facilitation payments, there are **two other policy areas** you need to know about that help us behave ethically and comply with relevant laws, regulations and professional standards:

- Competition law; and
- Insider trading.

As part of your obligation to comply with all applicable laws, regulations and professional standards, you also need to be aware of the existence and application of **trade sanctions**.

Let's look at the first of these areas – **competition law**.



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Other Considerations



Why you need to know about competition law...

In recent years antitrust/competition laws have been enforced **more vigorously** around the world. This has resulted in certain regulators imposing unprecedently harsh fines on companies that engage in illegal business practices. In addition, in some parts of the world regulators are suggesting changes to the audit profession on the basis that it would enhance competition in the market place.

Penalties for violation of competition laws can be **severe** for both KPMG personnel and any KPMG firm. These penalties can include **fines, damages, actions** brought by third parties, and **imprisonment** of individuals (for very serious breaches).

Agreements that contravene competition law may also be unenforceable (in whole or in part) by KPMG firms. Failure to comply with applicable competition policy could also result in **serious disciplinary action** being taken against KPMG personnel by their KPMG member firm.

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Other Considerations

Competition/Anti-trust Law and KPMG's Position

Competition (or 'anti-trust' as it is referred to in the U.S.) law supports the operation of free, competitive markets by prohibiting conduct that limits independent behavior by competitors in the market.

Non-compliance with competition law presents a legal threat and/or reputation risk to KPMG member firms.

Even a **suspected breach** of competition laws could have **serious consequences** for KPMG member firms in terms of costs and reputation damage associated with an investigation by a competition regulator.

What constitutes a 'competitor' of a KPMG member firm for the purposes of competition law will vary depending on a variety of factors, including the **type of services** provided by the firm and the market in which they are provided. KPMG member firms and KPMG personnel should be aware that in addition to the Big 4 accounting firms, other professional services firms may be considered a competitor.

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Other Considerations

KPMG's policy on competition

KPMG personnel and member firms must:

- Comply with applicable laws;
- Even if permitted by applicable competition laws, not enter into agreements or arrangements that distort competition (or are intended to distort competition) if such agreements or arrangements would be unethical or inconsistent with our Value of integrity; and
- Exercise due care when dealing with their competitors.

Let's explore each of these rules in more detail. Click each box below to learn more...

Comply with laws

Avoid certain arrangements

Exercise due care

Watch out for...

Click each box to learn more...

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Let's explore each of these rules in more detail. Click each box below to learn more...

Comply with laws

+ Avoid certain arrangements

+ Exercise due care

+ Watch out for...

Click each box to learn more...



Comply with laws

KPMG member firms and their personnel should be aware of **competition laws** that apply in the jurisdictions where they provide services. They should also be aware that, in certain jurisdictions, competition laws have extra-territorial effect and may, accordingly, apply to activities taking place in other jurisdictions.

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Comply with laws

Avoid certain arrangements

Exercise due care

Watch out for...

Click each box to learn more...

Avoid certain arrangements

Examples of arrangements that, even if permitted by applicable competition law, would be considered unethical or inconsistent with our Value of integrity and therefore a breach of the policy include:

- **Price-fixing** with competitors to the prejudice of clients – for example, agreeing to set prices or give discounts at a certain level;
- **Market- or client-sharing** with competitors to the prejudice of clients – for example, agreeing which services they will or will not supply; and
- **Bid-rigging** – for example, agreeing with your competitor the terms on which you respond to an invitation to tender.

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Let's explore each of these rules in more detail. Click each box below to learn more...

Comply with laws

Avoid certain arrangements

Exercise due care

+ Watch out for...

Click each box to learn more...

Exercise due care

KPMG member firms and KPMG personnel should **exercise due care** when dealing with their competitors. Particular examples of situations to be aware of include:

- Sharing competitively sensitive information (for example, fees, discounts, client information, strategic information concerning the business and costs);
- Discussing rule-making or policy development, or proposals for such, with competitors;
- Being involved in the activities of professional associations or industry bodies – for example, domestic or international accounting associations; and
- Participating in formal or informal meetings with personnel from other national or international networks.

If you are in any doubt as to how you should act in any of these situations, consult with your Risk Management Partner.

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KPMG's policy on competition

KPMG personnel and member firms must:

- Comply with applicable laws;
- Even if permitted by applicable competition laws, not enter into agreements or arrangements that distort competition (or are intended to distort competition) if such agreements or arrangements would be unethical or inconsistent with our Value of integrity; and
- Exercise due care when dealing with their competitors.

Let's explore each of these rules in more detail. Click each box below to learn more...

Comply with laws

Avoid certain arrangements

Exercise due care

Watch out for...

Watch out for...

Here are some other areas or situations to be aware of:

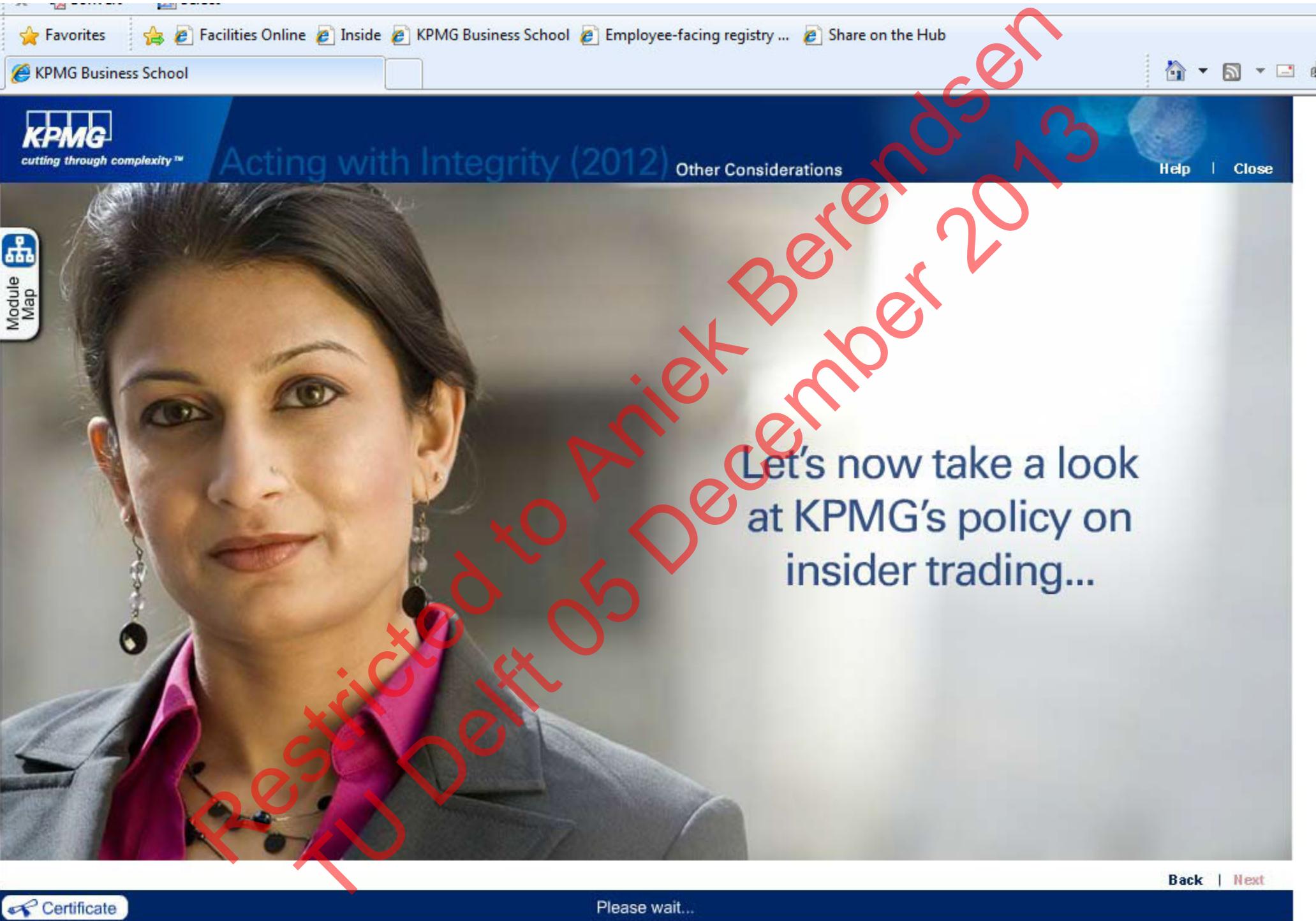
- Do not **discuss** with competitors what commercial strategies KPMG might adopt if particular regulatory changes are implemented – for example, how KPMG might change its client relationships, approach to market, or client offerings.
- Be mindful of discussing the commercial impact of regulatory changes, such as issues associated with the loss of audit work due to the perception that mandatory audit rotation is imminent, or with the costs of implementing certain regulatory changes.
- Take care when **drafting e-mails, presentations or other documents**. If these documents are to be shared with competitors (or if not shared, but which may contain competitively sensitive information), consider the impression such documents would create if disclosed during a competition inquiry or investigation.

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A screenshot of a KPMG Business School slide. The top navigation bar includes links to Favorites, Facilities Online, Inside, KPMG Business School, Employee-facing registry ..., Share on the Hub, and a search bar. The main content area features a portrait of a woman with dark hair and a pink blouse, with the text "Acting with Integrity (2012) Other Considerations". A red diagonal watermark reads "Restricted to TU Delft 05 December 2013". The right side of the slide contains the text "Let's now take a look at KPMG's policy on insider trading...". The bottom navigation bar includes links to Certificate, Back, and Next.

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Let's now take a look at KPMG's policy on insider trading...

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Module Map

Other Considerations



What is KPMG's policy on insider trading and why do we have it?

Insider trading, the misuse of inside information, any behavior that may create a misleading impression or otherwise manipulate or distort the market – these behaviors are inconsistent with our Value of integrity and with the Commitments we make to each other, our network, our member firms' clients, and our communities. It does not matter if insider trading is not illegal in your country – engaging in such behavior is inappropriate and unethical.

Our policy specifically says that KPMG personnel and member firms shall not:

- Engage (directly or indirectly) in insider trading, misuse inside information or be involved in any other behavior that may create a misleading impression as to securities or otherwise manipulate or distort the market; or
- Require, request, assist or encourage any other person to engage in any of the conduct described above, even if such conduct is legal or permitted under applicable law.

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Move your cursor over the **underlined words**...

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Other Considerations

inside information

Inside information is **specific non-public information** that relates to a relevant company or its securities.

Typically, information will be 'inside information' if, when made public, it may have a **significant impact on the price** of the securities or investment and/or is information that a reasonable investor would **consider significant** in deciding whether to buy, hold or sell the securities or investment.

Common examples of inside information include (to the extent this information is not already in the public domain):

- Earnings forecasts or changes in previously announced earnings estimates;
- Changes in dividends; or
- Takeover offers or anticipated acquisitions.

Additional examples of inside information may be found in the Global Quality & Risk Management Manual.

What is KPMG's policy on insider trading and why do we have it?

Insider trading, the misuse of inside information, any behavior that may create a **misleading impression** or otherwise **manipulate or distort the market** – these behaviors are inconsistent with our Value of integrity and with the Commitments we make to each other, our network, our member firms' clients, and our communities. It does not matter if insider trading is not illegal in your country – engaging in such behavior is inappropriate and unethical.

Our policy specifically says that KPMG personnel and member firms shall not:

- Engage (directly or indirectly) in insider trading, misuse inside information or be involved in any other behavior that may create a misleading impression as to securities or otherwise manipulate or distort the market; or
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insider trading

Insider trading is the buying or selling of a security or investment (for example, stocks/shares, bonds, derivatives) while in possession of **inside information**.

Insider trading offenses under applicable law may also encompass:

- **'Tipping off'** another person (for example, disclosing inside information to another person otherwise than in the proper performance of your employment or profession); and
- **Trading by that other person** once they are in possession of inside information.

So, even if you only **provided inside information** to another individual but did not engage in insider trading yourself, you may have committed an insider trading offense.

What is KPMG's policy on insider trading and why do we have it?

Insider trading, the misuse of **inside information**, any behavior that may create a **misleading impression** or otherwise **manipulate or distort the market** – these behaviors are inconsistent with our Value of integrity and with the Commitments we make to each other, our network, our member firms' clients, and our communities. It does not matter if **insider trading** is not illegal in your country – engaging in such behavior is inappropriate and unethical.

Our policy specifically says that KPMG personnel and member firms shall not:

- Engage (directly or indirectly) in insider trading, misuse inside information or be involved in any other behavior that may create a misleading impression as to securities or otherwise manipulate or distort the market; or
- Require, request, assist or encourage any other person to engage in any of the conduct described above, even if such conduct is legal or permitted under applicable law.

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Avoiding insider trading

In order to avoid the appearance of insider trading, KPMG personnel shall not buy or sell the **securities** of any client during the period they are **providing services** to the client.

KPMG's reputation is likely to be damaged if others perceive that a KPMG member firm or KPMG person has engaged in **insider trading**.

The prohibition on trading in securities of non-audit clients – and the prohibitions that exist under independence rules on holding or trading in the securities of audit and assurance clients – are designed to **mitigate this risk**.

Any KPMG person who suspects insider trading, misuse of inside information, or any other behavior that may create a misleading impression or otherwise manipulate or distort the market is required to **report it** in accordance with our reporting policy, which we will review in the next module.

Before we go to the next module, let's take a brief look at international trade sanctions and how they could impact your work at KPMG.

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What are trade sanctions?

By way of background, trade sanctions may be imposed by national governments and multi-national organizations (such as the United Nations and the European Union) and may impact **business relationships** with particular individuals, organizations, governments, or countries as a whole.

What you need to know about international trade sanctions...

Although KPMG currently does not have a specific policy relating to compliance with international trade sanctions, compliance is required due to the overriding obligation for KPMG member firms and personnel to comply with all applicable laws, regulations, and professional standards.

More about trade sanctions...

- What are trade sanctions?
- Who may be affected by trade sanctions?
- What is the scope of trade sanctions?
- Seeking advice



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Who may be affected by trade sanctions?

Trade sanction laws or regulations generally apply to **citizens and residents** (whether individuals or legal entities) of the **country imposing** the sanctions, and they aim to limit or prohibit commercial activity between these persons and the sanctioned individual, entity or country. However, it is possible for trade sanctions to operate more broadly.

What you need to know about international trade sanctions...

Although KPMG currently does not have a specific policy relating to compliance with international trade sanctions, compliance is required due to the overriding obligation for KPMG member firms and personnel to comply with all applicable laws, regulations, and professional standards.

More about trade sanctions...

- What are trade sanctions?
- Who may be affected by trade sanctions?
- What is the scope of trade sanctions?
- Seeking advice



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What is the scope of trade sanctions?

The scope of trade sanction regimes **vary widely**, depending on the country or organization imposing them. Sometimes they simply affect trade with **specific individuals and entities**; other times they target **entire industries or countries**.

The scope of some countries' sanction regimes can be **very broad** and can sometimes have **unexpected consequences**. For example, in certain circumstances, an individual or a legal person undertaking activities with an entity that is subject to U.S. trade sanctions may be in breach of U.S. law, even though the activity is perfectly legal in the countries of those undertaking the activity.

KPMG member firms and their personnel should therefore **consider the impact of all trade sanctions laws and regulations on them and their activities**. In addition, they should be aware of the need to **comply with all such laws and regulations** that apply to them, whatever the source of those laws and regulations.

What you need to know about international trade sanctions...

Although KPMG currently does not have a specific policy relating to compliance with international trade sanctions, compliance is required due to the overriding obligation for KPMG member firms and personnel to comply with all applicable laws, regulations, and professional standards.

More about trade sanctions...

- What are trade sanctions?**
- Who may be affected by trade sanctions?**
- What is the scope of trade sanctions?**
- Seeking advice**

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The screenshot shows a KPMG Business School website page titled 'Other Considerations'. The top navigation bar includes links to Favorites, Facilities Online, Inside, KPMG Business School, Employee-facing registry ..., Share on the Hub, and a search bar. The main content area features a large image of a building with many international flags. A sidebar on the left is titled 'Seeking Advice' and contains text about seeking advice from Risk Management Partners. The right side of the page is titled 'What you need to know about international trade sanctions...' and includes a list of questions and a callout box.

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Other Considerations

Seeking Advice

Given the complex nature of such laws and regulations, it is recommended that you **seek advice** from your Risk Management Partner whenever you consider conducting KPMG member-firm related business with an individual or entity that is based in or from a country subject to international trade sanctions.

What you need to know about international trade sanctions...

Although KPMG currently does not have a specific policy relating to compliance with international trade sanctions, compliance is required due to the overriding obligation for KPMG member firms and personnel to comply with all applicable laws, regulations, and professional standards.

More about trade sanctions...

- What are trade sanctions?**
- Who may be affected by trade sanctions?**
- What is the scope of trade sanctions?**
- Seeking advice**

Now that we've looked at specific policies that help us behave ethically and comply with laws, regulations, and professional standards, let's examine **what we should do** if we suspect someone else has not acted in an ethical and compliant way.

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Click **Next** to continue to the next topic...



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Your Obligations to Report

Would you know what to do if you suspected that someone did not comply with a law, regulation, professional standard or KPMG policy?

Would you know how or to whom to report your suspicions?

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Your Obligations to Report

What are you expected to report?

From the list below, **drag the three items** that you believe should be reported to certain individuals within your KPMG firm and drop them into the report folder.

- Suspected acts by clients or third parties in violation of any KPMG policy that KPMG partners and personnel must comply with.
- Suspected non-compliance with any KPMG policy by a KPMG firm or its personnel.
- Suspected non-compliance with law or regulation by clients or third parties.
- Suspected non-compliance with law or regulation by a KPMG firm or its personnel.

Report Folder

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Click **Next** to learn just how serious non-compliance is...

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Your Obligations to Report

What are you expected to report?

Feedback

That's exactly correct!

If you suspect that, in relation to an engagement you are working on, a **KPMG firm or person, a client or a third party** has breached (or is about to breach) a law, regulation or professional standard you must report your suspicion to your engagement partner. If the suspicion has not arisen in the context of an engagement, you must report the matter to your Risk Management Partner.

Similarly, if you suspect that a KPMG person or firm has not complied (or is about to fail to comply) with a **KPMG policy**, you must report your suspicion to the engagement partner if the matter relates to an engagement. In all other cases, your suspicion must be reported to your Risk Management Partner.

If you feel unable to report an issue as described above (due to reasons of conflict or anything else), you should report your concerns to your **member firm's Hotline**. If your firm does not have a Hotline, the **KPMG International Hotline** may be used to report matters confidentially and without fear of retaliation.

In addition to KPMG's policies on reporting obligations, you must also be aware of, and comply with, any **legal or regulatory reporting requirements** (however inconsequential they may seem) that are imposed on you or your KPMG firm by **external organizations**. If possible, you must follow both KPMG's reporting procedures as well as any applicable external legal reporting requirements. However, legal requirements take priority and you should only follow KPMG's reporting procedures to the extent that you are legally permitted to do so.

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Click **Next** to learn just how serious non-compliance is...

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Your Obligations to Report

Consequences of non-compliance

The consequences for a KPMG person found to be non-compliant with laws, regulations, professional standards, or KPMG policy can be very serious, depending upon the severity of the non-compliance. Here are just some of the potential consequences of non-compliance:

- You could receive a formal **warning**.
- Your future overall **remuneration and/or promotion prospects** could be adversely affected.
- Your employment could be **terminated**.
- You could be **formally reprimanded and/or fined** by a body that regulates your professional activities.
- Any professional license that you hold could be **suspended** for a period of time or **revoked**.
- You could be subject to **criminal sanctions** and/or have to pay a **fine**.

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Click **Next** to learn about how to report non-compliances...

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Your Obligations to Report

How to report non-compliance...

The way in which non-compliance is reported depends on **your role** within your KPMG firm. Engagement partners have **additional responsibilities** for reporting non-compliance that depend upon the significance of their own suspicion or of a suspicion that another person reports to them.

Since this course is for non-client-facing KPMG personnel, additional information on what to do when suspicions arise in the course of an engagement has not been provided. However, to test your knowledge about what reporting procedures apply to all KPMG partners and employees, click the image to the right...

Click **the image** to learn more about these reporting responsibilities...


All Partners and Employees

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Click **Next** to apply your understanding to a more specific scenario...



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Your Obligations to Report

 Reporting for all partners
and employees...

All KPMG partners and employees are required to **report suspicions** of non-compliance.

Test your knowledge of KPMG's reporting procedures by indicating if the following statements are **True or False**...

Statement	True	False
If you feel uncomfortable raising your suspicion with your engagement partner or RMP (or you suspect that either or both of them are involved in the matter), you can make a report to your firm's Senior Partner, your firm's Hotline (if any), your Regional RMP or to the KPMG International Hotline.		
Reports must always be made in writing.		
If you're in doubt about the most appropriate way to make your report, you should make your initial report by phone or in person.		
If you include documents (including e-mails) in your report then they may subsequently be required to be disclosed in litigation or in a regulatory investigation.		
If you suspect a KPMG person or firm has not complied with a KPMG policy or a law or regulation, you must always report your suspicion to your firm's Senior Partner.		
If you suspect a client has not complied with a law or regulation, you must report your suspicion to the engagement partner. If the suspicion hasn't arisen in the context of an engagement, you must make the report to your RMP.		
If you suspect a client has not complied with a law or regulation, you must obtain the approval of your engagement partner (and, where it is a significant matter, the RMP) before discussing it with the client.		
If you suspect that a KPMG person has not complied with KPMG policy or law or regulation, you should discuss it with that person first before reporting it to the engagement partner or RMP.		

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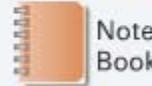


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Your Obligations to Report

 Reporting for all partners
and employees...

All KPMG partners and employees are required to **report suspicions** of non-compliance.

Test your knowledge of KPMG's reporting procedures by indicating if the following statements are **True** or **False**...

Feedback

That's not correct.

If the suspicion has arisen in the context of an engagement, you must report it to your **engagement partner**. If the suspicion has not arisen in the context of the engagement, you must report it to your **RMP**.

Remember, if you feel unable to report an issue in the ways described above, you should report your concerns to your **member firm Hotline**. If your member firm does not have a Hotline, the **KPMG International Hotline** can be used to report matters confidentially and without fear of retaliation.

Statement	True	False
If you feel uncomfortable raising your suspicion with your engagement partner or RMP (or you suspect that either or both of them are involved in the matter), you can make a report to your firm's Senior Partner, your firm's Hotline (if any), your Regional RMP or to the KPMG International Hotline.	✓	
Reports must always be made in writing.	✓	
If you're in doubt about the most appropriate way to make your report, you should make your initial report by phone or in person.	✓	
If you include documents (including e-mails) in your report then they may subsequently be required to be disclosed in litigation or in a regulatory investigation.	✓	
If you suspect a KPMG person or firm has not complied with a KPMG policy or a law or regulation, you must always report your suspicion to your firm's Senior Partner.	✓	
If you suspect a client has not complied with a law or regulation, you must report your suspicion to the engagement partner. If the suspicion hasn't arisen in the context of an engagement, you must make the report to your RMP.	✓	
If you suspect a client has not complied with a law or regulation, you must obtain the approval of your engagement partner (and, where it is a significant matter, the RMP) before discussing it with the client.	✓	
If you suspect that a KPMG person has not complied with KPMG policy or law or regulation, you should discuss it with that person first before reporting it to the engagement partner or RMP.	✓	

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Your Obligations to Report

What happens at the client meeting

Carlos and Pierre arrive at the client's offices and the meeting begins. Ten minutes after the discussions begin Pierre receives a text message on his smart phone and **leaves the room** to make a phone call.

One of the client's managers asks if it is likely the company will win the next government contract, which is expected to open for bids soon.

The client's Sales Director explains that the company **will not be bidding** for that contract since another competitor will do so. He reminds the manager that this competitor did not bid for the last government contract but their own company did.

Pierre returns to the meeting and the discussions continue. When the meeting concludes, Carlos and Pierre return to the office and discuss the remaining work that needs to be completed on the engagement.

Putting your understanding into practice...

Now that you've learned about your responsibilities for reporting suspected non-compliance with laws, regulations, professional standards, and KPMG policy, let's take a look at a more specific scenario that deals with one employee's **dilemma** regarding reporting...

Carlos is an Advisory manager working on an engagement for a wireless telecom client. Carlos and Pierre, the engagement partner, are due to meet with this client in a few hours' time. Pierre asks Carlos to download an article from their KPMG firm's Web site on recent trends in the telecoms industry that may be of interest to the client.

Carlos is surprised to find that one section of the KPMG article is very similar to an article he read online last month, which he found on a leading business newspaper's Web site. Carlos considers mentioning the similarity to Pierre, but he remembers that Pierre is responsible for approving on-line content for their KPMG firm and so is hesitant to do so.

[Click to see what happens in the meeting...](#)

What happens at the client meeting?

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Your Obligations to Report

What would you do?

Put yourself in Carlos's shoes... what would **you** do in his situation?



Quite often you will find that deciding to report a suspicion of non-compliance isn't as straightforward as you might think.

Select the **correct issues** you think Carlos should raise with his partner from the choices below...

- Carlos should mention the similarity of the two articles.
- Carlos should voice his dissatisfaction with doing a last-minute search of information to take to the meeting. Pierre could have requested that he obtain the article the previous day to ensure it was appropriate for the client.
- Carlos should mention that it was inappropriate for Pierre to leave the meeting to make a phone call.
- Carlos should mention the Sales Director's comments at the meeting regarding the client's competitor and that it is possible the client and its competitor have an agreement to divide the government contracts between them.

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Click **Next** for a quick review...

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Your Obligations to Report

What would you do?

That's not correct.

The two correct responses identify issues that Carlos has an **opportunity** to do something about.

Depending upon how similar the two articles are and other details, applicable copyright law may have been violated.

Carlos should not **assume** that since Pierre is a partner and is responsible for approving on-line content for their KPMG firm Web site, the issue would have been already identified and resolved. If Carlos, a manager, doesn't feel **comfortable** discussing it with Pierre, a partner, or if he reports it to Pierre but believes Pierre will not take the matter seriously enough, Carlos should report it directly to his RMP.

The comments the Sales Director made while Pierre had stepped out of the meeting may lead Carlos to believe their client and its competitor had an agreement that may be in violation of applicable **anti-trust/anti-competition** laws.

Although the issue is not **directly** relevant to the engagement, knowledge of its existence came about within the context of a client engagement and so Carlos should raise it with Pierre. Pierre would then consider whether the matter was significant enough to **report** to his Risk Management Partner. Since violation of anti-trust laws tends to be treated very seriously by **regulators** and **government authorities**, the matter is **significant** enough for Pierre to report it to his Risk Management Partner. This matter may also impact the KPMG firm's decision to continue this client relationship.

Quite often you will find that deciding to report a suspicion of non-compliance isn't as straightforward as you might think.

Select the **correct issues** you think Carlos should raise with his partner from the choices below...



Carlos should mention the similarity of the two articles.



Carlos should voice his dissatisfaction with doing a last-minute search of information to take to the meeting. Pierre could have requested that he obtain the article the previous day to ensure it was appropriate for the client.



Carlos should mention that it was inappropriate for Pierre to leave the meeting to make a phone call.



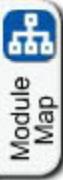
Carlos should mention the Sales Director's comments at the meeting regarding the client's competitor and that it is possible the client and its competitor have an agreement to divide the government contracts between them.

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A screenshot of a KPMG Business School website. The top navigation bar includes links for Favorites, Facilities Online, Inside, KPMG Business School, Employee-facing registry ..., Share on the Hub, and a search bar. The main content area features the KPMG logo and the tagline "cutting through complexity™". A banner at the top says "Acting with Integrity (2012) Quick Review". On the right, there are "Help" and "Close" buttons. A "Module Map" icon is visible on the left. The central image shows three men in business attire looking at a laptop screen. The slide has the title "Quick Review" and the subtitle "Let's recap what you've learned...". A large red watermark reading "Restricted to TU Delft 05 December 2013" is diagonally across the slide. At the bottom, there are "Back" and "Next" buttons, and a "Certificate" button.

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Quick Review

What can you do to help ensure you behave ethically?

So far, you've learned about KPMG's Global Code of Conduct and how it provides a framework for ethical behavior that our clients, our regulators, the capital markets, investors, and others expect of all KPMG partners and employees.

You've also reviewed specific policies KPMG has in place to manage the risks that unethical behaviors such as engaging in bribery and insider trading, or making inappropriate gifts, can pose to KPMG firms and KPMG personnel.

Behaving ethically means not only complying with laws, regulations, professional standards, and KPMG policy; it also means knowing what to do when you suspect a potential breach of those laws, regulations, professional standards or KPMG policy. KPMG's policies on reporting potential breaches in these areas can help you 'do the right thing' and raise issues, which is one of the responsibilities expected of all KPMG personnel under the Global Code of Conduct.

What can you specifically do to try to ensure you always act with integrity and behave ethically?

What can you specifically do to try to ensure you always act with integrity and behave ethically?

1. Read the Global Code of Conduct, which is comprised of KPMG's Values; KPMG's Commitments to our people, our network, our member firms' clients, and our communities; and the responsibilities we all have as individuals and in leadership positions under the Global Code.
2. Make sure you understand and comply with all of KPMG's policies and processes that are relevant to your role and the work that you do.
3. Use your common sense – stay alert to situations that may give rise to instances of unethical or non-compliant behavior.
4. Keep track of the gifts, entertainment, etc., given to government officials, private sector clients and any other individuals to ensure that, on their own or in the aggregate, they could not be considered as bribes.
5. Know the laws and regulations in, and applicable to, the jurisdiction in which you work. If you must travel to and work in another country, remember to also gain an understanding of the laws and regulations in that other country and consult appropriately. Remember, ethical and compliant behavior is expected anywhere you go!
6. Ask plenty of questions.
7. Report concerns to your engagement partner or Risk Management Partner (as appropriate) as soon as you become suspicious of any potential acts of non-compliance that you may come across in the course of your work involving clients, KPMG firms or personnel, or third parties.

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Acting with Integrity (2012) Quick Review

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Ethics Checklist

The Global Code of Conduct includes an **Ethics Checklist** to help you decide how to respond when you are faced with a difficult decision or situation, and it serves as a **guide** to your everyday behavior.

Always ask yourself:

- Is my behavior **consistent** with KPMG's Values and ethical or professional standards?
- Does my decision reflect the **right thing** to do?
- Is my decision being driven by **responsible professional judgment**?
- Does my action **comply** with KPMG policy and applicable law or regulation?
- Am I confident that I would not be **embarrassed** to explain my decision if it were made public?
- Do the actions taken by a colleague or client **comply** with applicable law, regulation, and ethical standards and (if a colleague) with KPMG policy?

If the answer to any of these questions is 'no', or if you are not sure, then you should '**raise your hand**' and ask for assistance.

There are many resources available who can help; in addition to your Risk Management Partner or engagement partner, these include your supervisor, line manager, or performance manager; professionals in your Human Resources group; your member firm's Hotline (where available); and the KPMG International Hotline.

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Click **Next** to continue...

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Favorites Facilities Online Inside KPMG Business School Employee-facing registry ... Share on the Hub

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Conclusion

Remember, at KPMG, we have a great deal to be proud of and a lot to live up to. It all begins with an unwavering commitment to quality and integrity – to each other, to our clients, to our communities, and to the capital markets. It's our shared responsibility to bring the Global Code to life by our behavior every day.

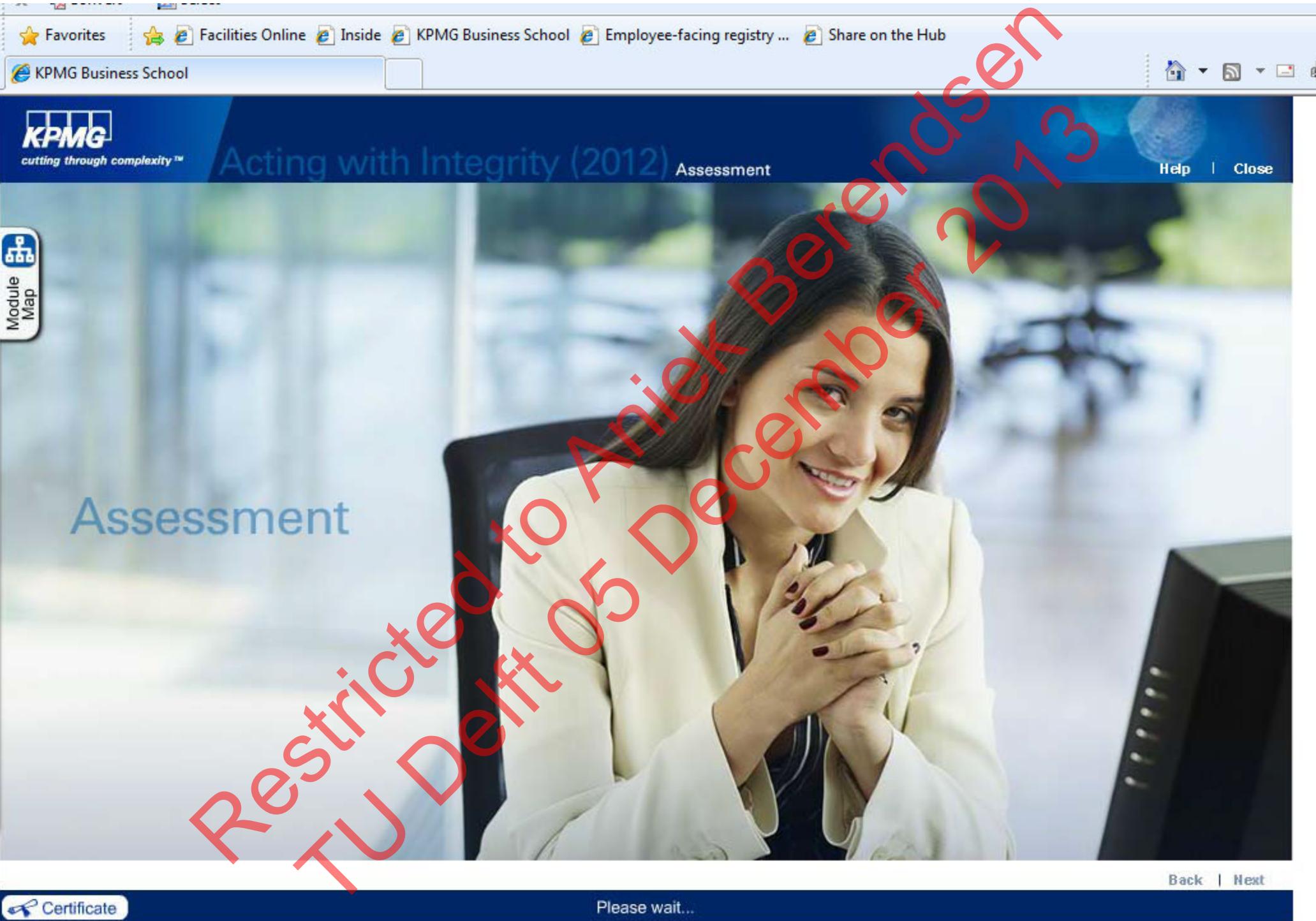
You've now completed all the topics – click **Next** to begin the assessment questions.

Restricted to Annek Berendsen
TU Delft 05 December 2013

Certificate

Click **Next** to try the assessment questions...

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A screenshot of a web browser showing the KPMG Business School website. The title bar includes links to Favorites, Facilities Online, Inside, KPMG Business School, Employee-facing registry ..., Share on the Hub, and a home icon. The main content area features the KPMG logo and the text "Acting with Integrity (2012) Assessment". A large photograph of a smiling woman in a white blazer is displayed. On the left, there's a sidebar with a "Module Map" button and the word "Assessment". A red diagonal watermark reading "Restricted to Aniek Berendsen TU Delft 05 December 2013" is overlaid across the page. The bottom navigation bar includes "Certificate", "Please wait...", "Back | Next", and a "Module Map" button.

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