

# Regulatory Guidelines on Anti-Bribery and Anti-Corruption

---

## I. Introduction

**Purpose:** These guidelines provide a comprehensive framework for preventing and combating bribery and corruption within financial institutions. They are designed to ensure that all employees, directors, officers, and third-party associates maintain the highest standards of integrity and accountability.

**Scope:** These guidelines apply to all activities, transactions, and interactions conducted by financial institutions, including their employees, directors, officers, agents, intermediaries, consultants, contractors, suppliers, and joint venture partners.

---

## II. Background

**Impact of Corruption:** Corruption undermines development effectiveness by diverting funds from essential projects, increasing costs, decreasing quality, and eroding public trust. Effective anti-corruption measures are essential to ensure that financial resources are used efficiently and for their intended purposes.

**Joint Efforts:** Addressing corruption requires collaborative efforts from financial institutions, regulatory bodies, and development partners. This includes implementing robust preventive measures, raising awareness, and ensuring strict compliance with anti-corruption laws and regulations.

---

## III. Definitions

- **Bribery:** Offering, giving, receiving, or soliciting anything of value to influence the actions of an official or other person in discharge of a public or legal duty.
  - **Fraud:** Any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit.
  - **Coercion:** Impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
  - **Collusion:** An arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
  - **Obstruction:** Deliberately destroying, falsifying, altering, or concealing evidence material to an investigation or making false statements to impede a regulatory investigation.
- 

## IV. Preventive Measures

### 4.1 Anti-Bribery Measures:

- **Prohibition of Bribery:** The institution prohibits all forms of bribery and corruption, whether direct or indirect.
- **Facilitation Payments:** Facilitation payments are strictly prohibited unless made under duress or threats to personal safety, which must be reported immediately.
- **Awareness and Training:** Regular training and awareness programs must be conducted to educate employees and third parties about anti-bribery and anti-corruption policies. This includes providing clear examples of what constitutes bribery and corruption.

#### 4.2 Gifts and Hospitality:

- **Acceptable Practices:** Gifts and hospitality must be of nominal value and infrequent, and should not influence business decisions or create conflicts of interest. Acceptable gifts may include promotional items of low value, such as pens or calendars.
- **Record Keeping:** All gifts and hospitality must be recorded in the Gifts and Entertainment Register to ensure transparency. The register should include details such as the nature and value of the gift or hospitality, the name of the giver and recipient, and the date of the transaction.

#### 4.3 Charitable and Political Contributions:

- **Charitable Donations:** Must be legal, ethical, and approved by the relevant department. Donations should be made transparently and documented in the Charitable Contributions Register.
- **Political Contributions:** Political contributions on behalf of the institution are prohibited to avoid conflicts of interest and ensure impartiality. Employees may make personal political contributions but must not represent these as being on behalf of the institution.

#### 4.4 Third-Party Compliance:

- **Due Diligence:** Conduct thorough due diligence on third parties to ensure compliance with anti-bribery laws. This includes background checks and reviewing the third party's history and reputation.
- **Contractual Obligations:** All contracts with third parties must include anti-bribery and anti-corruption clauses to ensure adherence to these guidelines. Contracts should clearly outline the expectations and responsibilities regarding anti-bribery and corruption.

---

## V. Reporting and Whistleblowing

### Confidential Reporting:

- **Mechanism:** A confidential and anonymous reporting mechanism must be available for reporting suspected violations. This can include a hotline, an online reporting system, or a designated email address.

- **Protection:** Reports must be investigated promptly, and appropriate actions must be taken. Retaliation against whistleblowers is strictly prohibited. The institution should have clear policies protecting whistleblowers from any form of retaliation.
- 

## **VI. Record Keeping and Monitoring**

### **6.1 Accurate Records:**

- All transactions, including gifts, hospitality, and charitable donations, must be accurately recorded and maintained to ensure transparency and accountability. Records should be detailed and include the nature of the transaction, the involved parties, and the purpose.

### **6.2 Regular Audits:**

- Regular audits and monitoring must be conducted to ensure compliance with these guidelines and to detect any potential violations. The audit process should include reviewing financial records, conducting interviews, and verifying the accuracy of the reported information.
- 

## **VII. Consequences of Non-Compliance**

### **Disciplinary Actions:**

- Non-compliance with these guidelines will result in disciplinary actions, including termination of employment or contracts, and possible legal action. The institution must have a clear disciplinary process in place, including investigation, documentation, and enforcement of penalties.
- 

## **VIII. Investigation and Remedial Actions**

### **8.1 Investigation:**

- Promptly investigate any reported instances of bribery or corruption using a structured and impartial process. The investigation should include gathering evidence, interviewing witnesses, and reviewing relevant documents.

### **8.2 Remedial Actions:**

- Take appropriate disciplinary and legal actions against individuals or entities involved in corrupt practices. This may include termination of employment, contract cancellation, and legal proceedings.
  - Review and improve internal controls to prevent recurrence. This can involve updating policies, enhancing training programs, and improving monitoring systems.
- 

## **IX. Continuous Improvement**

### **9.1 Policy Review:**

- Regularly review and update the anti-bribery and anti-corruption policies to reflect changes in laws, regulations, and business practices. The review process should include feedback from employees, stakeholders, and external experts.

## **9.2 Stakeholder Feedback:**

- Seek feedback from employees and stakeholders to enhance the effectiveness of the anti-bribery and anti-corruption measures. This can be done through surveys, focus groups, and regular meetings.

---

## **X. Contact Information**

### **10.1 Compliance Department:**

- For any questions or concerns regarding these guidelines, employees and third parties should contact the Compliance Department. The department should provide clear and accessible contact information.

### **10.2 Reporting Channels:**

- Use the confidential reporting channels provided for reporting suspected violations. The reporting channels should be well-publicized and easily accessible to all employees and third parties.

---

## **Appendix: Examples and Detailed Procedures**

### **A. Examples of Bribery and Corruption**

#### **A.1 Examples of Bribery:**

- An employee offers a government official a payment to expedite the approval of a business permit.
- A supplier provides lavish gifts to a procurement officer to secure a contract.

#### **A.2 Examples of Fraud:**

- An employee falsifies expense reports to receive reimbursement for non-business-related expenses.
- A contractor submits false invoices for services not rendered.

#### **A.3 Examples of Coercion:**

- A manager threatens an employee with termination unless they participate in corrupt activities.
- A company uses threats to compel a competitor to withdraw from a bidding process.

#### **A.4 Examples of Collusion:**

- Two companies agree to submit inflated bids to ensure one of them wins a contract.

- Competitors share confidential information to manipulate the outcome of a procurement process.

## **B. Detailed Procedures for Reporting and Investigating Violations**

### **B.1 Reporting Procedures:**

- Employees and third parties can report suspected violations through designated reporting channels, such as a hotline or online system.
- Reports should include detailed information about the suspected violation, including the names of involved parties, the nature of the violation, and any supporting evidence.

### **B.2 Investigation Procedures:**

- Upon receiving a report, the Compliance Department will initiate a preliminary review to assess the credibility of the allegation.
- If warranted, a formal investigation will be conducted, involving interviews, evidence collection, and analysis.
- The findings of the investigation will be documented in a report, which will be reviewed by senior management.

### **B.3 Remedial Actions:**

- Based on the investigation findings, appropriate disciplinary and legal actions will be taken against those involved in corrupt practices.
- The institution will also review its policies and controls to address any identified weaknesses and prevent future occurrences.