



ISO 37001 Anti-bribery management systems: An Introduction

廉者自廉: 淺談ISO 37001反賄管理系統

Howie Ng
Technical Director, Hong Kong Veritas Limited
Member, ISO/TC 309 Governance of Organizations
www.hkveritas.com

Background

The World Bank estimates that over USD 1 trillion is paid in bribes each year

- Corruption Perception Index, Transparency International 1995
- World Governance Indicators, World Bank 2002
- Convention against Corruption, UN 2004
- Convention on combating bribery of foreign officials, OECD 2010
- Rules on combating corruption, Int. Chamber of Commerce, 2011
- ISO 19600:2014 Compliance management systems - Guidelines



Rolls-Royce agrees £671m settlement for bribery allegations

Financial Times
17 January 2017

What is ISO 37001 ABMS

- Developed by ISO/PC 278
 - 37 'P'-members and 19 'O'-members
- Development from 2013 to 2016 with meetings in
 - London, UK
 - Madrid, Spain
 - Miami, USA
 - Paris, France
 - Kuala Lumpur, Malaysia
 - Mexico City, Mexico
- Published on 15 October 2016
- Based on Annex SL (risk based thinking)

Corruption: illegal, bad, or dishonest behaviour, especially by people in positions of power (Cambridge dictionary)

Bribery: offering, promising, giving, accepting or soliciting of an undue advantage (ISO 37001)

Purpose

- Specifies requirements and provides guidance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system.
- Instills an anti-bribery culture within an organization and implement appropriate controls, which will in turn increase the chance of detecting bribery and reduce its likelihood in the first place.
- Facilitates organization to comply with applicable requirements.
- Applicable only to bribery. Does not address fraud, cartels and other anti-trust/competition offences, money-laundering or other activities related to corrupt practices.

Consistency in anti-bribery performance

Benefits

- Enhance anti-bribery controls
- Reduce anti-bribery risks
- Demonstrate due diligence
- Facilitate adoption by the value chain
- Emerge as an integral part of CSR

Structure

1. Scope
2. Normative references
3. Terms and definitions
4. Context of the organization
5. Leadership
6. Planning
7. Support
8. Operation
9. Performance evaluation
10. Improvement

Planning

- Determine internal and external factors
- Understand needs and expectations of stakeholders
- Determine scope and boundary of the ABMS
- Assess anti-bribery risks
- Establish policy and objectives (with action plan)
- Ensure availability of resources
- Define roles and responsibilities
 - Anti-bribery compliance function
- Plan to address risks and opportunities

Ensure top management leadership and commitment

Controls

- Employment process
- Due diligence on risk assessment
- Financial controls
- Non-financial controls
- Control on business associates
- Gift, hospitality, donations and similar benefits

Reasonable and proportionate

Checking and improvement

- Monitoring and measurement
- Analysis and evaluation
- Internal audit
- Reviews by
 - Anti-bribery function
 - Top management
 - Governing body
- Corrective action
- Continual improvement

What is next?

- ISO/TC 309 Governance of organizations was established by the ISO/TMB in September 2016
- ISO/TC 309 'Groups'
 - Communications and engagement
 - Strategic business plan
 - Governance of organizations
 - Whistleblowing
 - Anti-bribery management systems
 - Compliance management systems

ISO/PC 278 has been disbanded

Thank You!

Further contact
Howie Ng
hng@hkveritas.com