Celebrating UN International Anti-Corruption Day: a panel discussion
9 December 2015

Since the 2015 election the Prime Minister has made a number of encouraging speeches on the topic of corruption. In July he described it as ‘one of the greatest enemies of progress in our time’ and most recently identified tackling corruption in the context of UK exports as a 'real area of progress for Britain'. He will lead a self-described ‘international anti-corruption drive’ starting with a summit to be convened in London next year.

This UN International Anti-Corruption Day representatives from business, advisory services, NGOs and Parliament came together to discuss how the Prime Minister’s vision for ‘clean business’ can be made a reality.

An expert panel explored the risks which British exporters face, discussed the new standard in bribery risk management (ISO37001), reviewed the government’s track record on anti-corruption, and reflected on how to make the most of this unprecedented opportunity to ensure that his government’s anti-corruption agenda works for business.

The event also marked the official launch of the All-Party Parliamentary Group on Anti-Corruption’s call for evidence for their new inquiry: Reaching Export 2020 with integrity: How can UK businesses be better supported to manage corruption risks in high-growth markets?

Chaired by Jason Hungerford (Corporate Compliance and Investigations Partner, Norton Rose Fulbright), Lord Watson of Invergowrie (Vice-Chair of the APPG on Anti-Corruption), Howard Shaw (Head of Anti-Bribery and Corruption Services, Mazars), Sam Eastwood (Head of Business Ethics and Anti-Corruption, Norton Rose Fulbright), Peter Van Veen, (Director, Business Integrity Programme, Transparency International UK), and David Armstrong (BSI) highlighted:

General
- The political attention given to the international anti-corruption movement is a relatively new phenomenon and the UK is positioning itself as a leader in the field.
- Yet, the UK government should be championing the Anti-Corruption Plan and related efforts more vocally both here and overseas, and there is a perceived mismatch between the strength of government rhetoric and policy and the lack of actual enforcement.
- The UK has also made significant progress on making beneficial ownership information accessible (but its overseas territories are still noted for its secrecy).
- The Bribery Act’s guidance focuses on preventing grand corruption but is not tailored enough when advising on more realistic business scenarios.
- There is plenty of anti-bribery and corruption guidance freely available to companies but that awareness of guidance and capacity to implement it, particularly in small and medium enterprises, is low.

All-Party Parliamentary Group (APPG) Inquiry Launch
- Lord Watson outlined the role of All-Party Parliamentary Group on Anti-Corruption, discussed recent government initiatives, and highlighted the APPG’s inquiry which is open from 9 December to 26 February.
- Evidence gathered by the inquiry will be synthesised, reviewed, and presented to relevant Government departments in advance of the Prime Minister’s anti-corruption summit in May 2016.
- See below for more information on and how to contribute to the inquiry.

The UK Government’s Anti-Corruption Drive
- In December 2014 the Home Office published the Anti-Corruption Plan - a cross-government initiative with 66 actions to improve the UK’s anti-corruption infrastructure. An assessment of the Plan will be published in January 2016.
- The Prime Minister will be hosting an anti-corruption summit in London next year.
As part of the Autumn Spending Review the Chancellor announced the launch of a new Prosperity Fund. Over the next five years the National Security Council designate £1.3bn of Official Development Aid to emerging markets with the aim of promoting global prosperity and good governance. Its priorities will include improving the business climate, competitiveness and operation of markets, energy and financial sector reform, and increasing the ability of governments to tackle corruption.

Collective Action
- Collective action with government, business, and local and international civil society actors is needed to tackle the demand side of corruption in high-risk markets.
- The UK should look to do a benchmark review of successful collective action initiatives against corruption.
- Ex. Developments in Germany regarding anti-corruption declarations and integrity pacts.
- Ex. The International Centre for Collective Action (ICCA) for a central repository of best practice in collective action worldwide.

Following presentations, the panel took questions from the floor. The ensuing discussion can be summarised under themes of:

Advancing Anti-Bribery and Corruption within Businesses
- To tackle corruption, companies need to implement a combination of compliance training, cultural training and formal policies, procedures, and controls.
- Anti-bribery and corruption needs to be understood as part of a company’s general risk management rather than as a stand-alone series of checks.
- Individuals throughout companies need to be sensitised to corruption risks, not merely senior executives or compliance officers.

Anti-Money Laundering (AML)
- There are ongoing problems with the Suspicious Activity Report (SAR) system which undermine AML efforts in government and responsible banks, in particular there is a lack of feedback on SARs.
- London continues to be a favoured destination for illicit finance where it is often invested in property and luxury goods.
- The government’s plans to consider Unexplained Wealth Orders and consult on how to spread ownership transparency throughout the property market are welcome and promising.

Small Medium Enterprises (SME)
- Compared to large companies and multi-national corporations, SMEs are at a disadvantage when it comes to understanding and implementing adequate anti-corruption measures.
- Open Government Procurement is an innovative solution that can deliver dividends for business, government, and citizens. Open Contracting could level the playing field for SMEs in particular.
- Companies operating overseas are subject to more than one legal framework; globally we should be aiming for a convergence of high anti-bribery and corruption standards; yet businesses – and SMEs in particular - need to be supported to understand and comply with the complicated legal environment.
From 9 December until 26 February the APPG on Anti-Corruption will be accepting written evidence for its inquiry *Reaching Export 2020 with integrity: How can UK businesses be better supported to manage corruption risks in high-growth markets?*

The rationale for the inquiry is twofold: firstly, the Group has heard anecdotal evidence that UK businesses feel they are not being sufficiently supported to trade in markets where there is a particularly high risk of bribery and corruption. Secondly, the Group sees an opportunity to support the Department of Business, Innovation and Skills (BIS) in their efforts to review how anti-corruption legislation affects business and to feed in to the development of anti-corruption initiatives under the new Prosperity Fund.

Through this inquiry the APPG is interested in finding out more about the perceived shortcomings in the support provided by government agencies and gathering creative and cost-effective ideas for how government departments could better support UK businesses to comply with anti-corruption legislation, counter corruption risks, and contribute to a global economy where good business is clean business.

From 9 December 2015 until 26 February 2016 the APPG on Anti-Corruption invites written submissions from organisations and individuals on any or all of the questions below:

- Is your company, or are your clients, aware of the support on offer from UK government agencies to help businesses deal with corruption?
- What are the principal challenges and gaps in the current provision of this support for UK businesses?
- What policy, strategy, and/or programming models could government agencies develop to better support UK businesses to deal with the threat of corruption and bribery?
- What good practice examples of activity or approaches in other sectors or jurisdictions could be replicated by UK government agencies?

Responses can be submitted online (http://www.anticorruptionappg.org/appg-inquiry/) and anonymised on request.

Evidence gathered by the inquiry will be synthesised, reviewed, and presented to relevant Government departments, including BIS and UKTI, the Foreign Office, and the National Security Council, in advance of the Prime Minister’s anti-corruption summit in May 2016.

*Notes*

The APPG on Anti-Corruption is an informal group of Members of both Houses of Parliament with a common interest in anti-corruption. Our primary interest is in strengthening the UK’s anti-corruption infrastructure and scrutinising the role of the UK government in regulating, scrutinising, and sanctioning those that facilitate corruption and financial crime, and supporting those that are on the frontline of combatting corruption, in enforcement and businesses.

This inquiry will be led by Nigel Mills MP, co-Chair of the APPG on Anti-Corruption.

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