

# **BUSINESS INTEGRITY COUNTRY AGENDA (BICA)**

## **CONCEPTUAL FRAMEWORK FOR A BICA ASSESSMENT**

### **SUPPLEMENT #2: INDICATORS**

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# PURPOSE OF THIS DOCUMENT

Transparency International's Business Integrity Country Agenda (BICA) seeks to create a body of evidence on business integrity in a given country,<sup>1</sup> a widely shared agenda for reform and a collective momentum for change towards more business integrity among key stakeholders.

BICAs will assess the status of key factors in a given country that enable the private sector to act with integrity and accountability. BICA offers a comprehensive and unique approach to gathering the relevant information and provides a credible foundation for action and reform.

Transparency International envisages that the BICA will become an important reference point for preventing, detecting and responding to corruption in business practices within countries and around the globe.

This document provides detailed information regarding the BICA Assessment Framework.<sup>2</sup> The framework recognises that three key stakeholder groups – the public sector, the private sector and civil society – contribute to an environment which enables the private sector to act with integrity and accountability. This is reflected in the three areas included in the assessment:

1. **Public sector behaviour:** *Assessment of a country's laws and practices in preventing, reducing and responding to corruption in the private sector*
2. **Private sector behaviour:** *Assessment of a country's private sector efforts in preventing, reducing and responding to corruption in the private sector*
3. **Civil society behaviour:** *Assessment of the country's civil society efforts in preventing, reducing and responding to corruption in the private sector*

Each of the three assessment areas is broken down into thematic areas. Thematic areas describe a comprehensive topic, such as public procurement or whistleblowing. Each thematic area is then further broken down into key indicators that must be considered. For each indicator, a scoring question is asked and assessment criteria, references and proposed data are specified for how to answer that question.

The intended users for this document are Transparency International's national chapters, other project partners and the researchers conducting the BICA assessment.

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<sup>1</sup> BICAs will look at the environment in which national and international companies operate within a country (inward perspective). BICAs will not assess how companies from this particular country conduct business abroad.

<sup>2</sup> For more information on the BICA Assessment framework, please refer to Conceptual Framework for BICA Assessment Guidance.

## 2. ASSESSMENT CATEGORIES FOR THE PUBLIC SECTOR

***Assessment of a country's laws and practices in preventing, reducing and responding to corruption in the private sector***

### 2.1. PROHIBITING BRIBERY OF PUBLIC OFFICIALS

#### 2.1.1. Laws prohibiting bribery of public officials

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting bribery of public officials</i>
<b>Indicator name:</b>	<b><i>Laws prohibiting bribery of public officials</i></b>
<b>Indicator number:</b>	<b><i>1.1.1.</i></b>
<b>Scoring question:</b>	<b><i>Do the country's laws prohibit bribery of national and foreign public officials?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• active <u>bribery</u> of national and <u>foreign public officials</u> as well as officials of a public international organisation is criminalised (offering, promising, giving of an undue advantage), including direct and indirect <u>bribery</u>;</li> <li>• passive <u>bribery</u> of national and <u>foreign public officials</u> as well as officials of a public international organisation is criminalised (accepting, solicitation of an undue advantage), including direct and indirect <u>bribery</u>;</li> <li>• deductibility of bribes for tax purposes is prohibited;</li> <li>• undue advantages offered to or requested from public officials are not limited to financial benefits or other material goods;</li> <li>• <u>facilitation payments</u> to national and <u>foreign public officials</u> as well as officials of a public international organisation are prohibited.</li> </ul>
<b>Assessment reference(s):</b>	United Nations Convention against Corruption (2004): Articles 15, 16
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.1.2. Enforcement of laws prohibiting bribery of public officials

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting bribery of public officials</i>
<b>Indicator name:</b>	<b><i>Enforcement of laws prohibiting bribery of public officials</i></b>
<b>Indicator number:</b>	<b><i>1.1.2.</i></b>
<b>Scoring question:</b>	<b><i>Are sanctions and incentives applied in practice to deter bribery of public officials?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• law enforcement agencies show <u>active enforcement</u><sup>3</sup> of cases of <u>bribery</u> of public officials;</li> <li>• <u>dissuasive, proportionate, effective sanctions</u> are applied for <u>bribery</u> of national and <u>foreign public officials</u> and officials of public international organisations <ul style="list-style-type: none"> <li>○ for <u>bribery</u> against any person who directs or works, in any capacity, for a private sector entity;</li> <li>○ for insufficient oversight/violation of supervisory duty by any person who directs or manages, in any capacity, a private sector entity;</li> <li>○ against legal persons.</li> </ul> </li> <li>• long and adequate statute of limitation periods apply;</li> <li>• <u>proportionate, persuasive and effective mitigation incentives</u> (for example, absence of inappropriate defences) in the form of reduced or suspended sanctions for legal and natural persons are applied (for example, leniency programmes).</li> </ul>
<b>Assessment reference(s):</b>	<p>United Nations Convention against Corruption (2004): Chapter III</p> <p>United Nations Convention against Corruption (2004): Articles 12(2),29</p> <p>United Nations Convention against Corruption (2004): Articles 12, 26, 29</p> <p>United Nations Convention against Corruption (2004): Article 12</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

<sup>3</sup> Please refer to the Glossary (Annex 2) for explanations of the underlined terms.

### 2.1.3. Capacities to enforce laws prohibiting bribery of public officials

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting bribery of public officials</i>
<b>Indicator name:</b>	<b><i>Capacities to enforce laws prohibiting bribery of public officials</i></b>
<b>Indicator number:</b>	<b><i>1.1.3.</i></b>
<b>Scoring question:</b>	<b><i>Do relevant public authorities possess adequate capacities for enforcing laws prohibiting bribery of public officials?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• adequate funding and staff for enforcement authorities is available;</li> <li>• enforcement authorities have operational independence;</li> <li>• national anti-corruption agencies, prosecution offices, competition and tax authorities, and financial regulators cooperate on enforcement;</li> <li>• national authorities cooperate with foreign law enforcement authorities on investigation and enforcement (mutual legal assistance).</li> </ul>
<b>Assessment reference(s):</b>	<p>United Nations Convention against Corruption (2004): Articles 36, 40</p> <p>United Nations Convention against Corruption (2004): Articles 37, 38, 43, 46, 47, 48</p> <p>United Nations Convention against Corruption (2004): Articles 15, 16</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.2. PROHIBITING COMMERCIAL BRIBERY

### 2.2.1. Laws prohibiting commercial bribery

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting commercial bribery</i>
<b>Indicator name:</b>	<b><i>Laws prohibiting commercial bribery</i></b>
<b>Indicator number:</b>	<b><i>1.2.1.</i></b>
<b>Scoring question:</b>	<b><i>Do the country's laws prohibit commercial bribery?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• active commercial <u>bribery</u> is prohibited (offering, promising, giving of an undue advantage to any person who directs or works, in any capacity, for a private sector entity), including direct and indirect <u>bribery</u>;</li> <li>• passive commercial <u>bribery</u> is prohibited (accepting, solicitation of an undue advantage by any person who directs or works, in any capacity, for a private sector entity), including direct and indirect <u>bribery</u>;</li> <li>• undue advantages offered to or requested from private sector entities are not limited to financial benefits or other material goods;</li> <li>• deductibility of bribes for tax purposes is prohibited.</li> </ul>
<b>Assessment reference(s):</b>	United Nations Convention against Corruption (2004): Article 21
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)



## 2.2.2. Enforcement of laws prohibiting commercial bribery

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting commercial bribery</i>
<b>Indicator name:</b>	<b><i>Enforcement of laws prohibiting commercial bribery</i></b>
<b>Indicator number:</b>	<b><i>1.2.2.</i></b>
<b>Scoring question:</b>	<b><i>Are sanctions and incentives applied in practice to deter commercial bribery?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• law enforcement agencies show <u>active enforcement</u> of cases of commercial <u>bribery</u> of public officials;</li> <li>• <u>dissuasive, proportionate, effective sanctions</u> are applied for commercial bribery <ul style="list-style-type: none"> <li>○ for <u>bribery</u> against any person who directs or works, in any capacity, for a private sector entity;</li> <li>○ for insufficient oversight/violation of supervisory duty by any person who directs or manages, in any capacity, a private sector entity;</li> <li>○ against legal persons;</li> </ul> </li> <li>• long and adequate statute of limitation periods apply;</li> <li>• <u>proportionate, persuasive and effective mitigation incentives</u> (for example absence of inappropriate defences) in the form of reduced or suspended sanctions for legal and natural persons are applied (for example leniency programmes).</li> </ul>
<b>Assessment reference(s):</b>	United Nations Convention against Corruption (2004): Article 21
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

### 2.2.3. Capacities to enforce laws prohibiting commercial bribery

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting commercial bribery</i>
<b>Indicator name:</b>	<b><i>Capacities to enforce laws prohibiting commercial bribery</i></b>
<b>Indicator number:</b>	<b><i>1.2.3.</i></b>
<b>Scoring question:</b>	<b><i>Do relevant public authorities possess adequate capacities for enforcing laws prohibiting commercial bribery?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• adequate funding and staff for enforcement authorities is available;</li> <li>• enforcement authorities have operational independence;</li> <li>• national anti-corruption agencies, prosecution offices, competition and tax authorities, and financial regulators cooperate on enforcement;</li> <li>• national authorities cooperate with foreign law enforcement authorities on investigation and enforcement (mutual legal assistance).</li> </ul>
<b>Assessment reference(s):</b>	United Nations Convention against Corruption (2004): Article 21
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.3. PROHIBITING LAUNDERING OF PROCEEDS OF CRIME

### 2.3.1. Laws prohibiting laundering of proceeds of crime

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting laundering of proceeds of crime</i>
<b>Indicator name:</b>	<b><i>Laws prohibiting laundering of proceeds of crime</i></b>
<b>Indicator number:</b>	<b><i>1.3.1.</i></b>
<b>Scoring question:</b>	<b><i>Do the country's laws prohibit laundering of proceeds of crime?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if the laundering of the <u>proceeds of crime</u> is prohibited under national law, including</p> <ul style="list-style-type: none"> <li>• the conversion or transfer of property, knowing that such property is the <u>proceeds of crime</u>, for the purpose of concealing or disguising the illicit origin of the property;</li> <li>• concealment or disguise of the true nature, source, location, disposition, movement or ownership of or rights with respect to property, knowing that such property is the <u>proceeds of crime</u>;</li> <li>• acquisition, possession or use of property, knowing, at the time of receipt, that such property is the <u>proceeds of crime</u>;</li> <li>• participation in, association with or conspiracy to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the above offences.</li> </ul>
<b>Assessment reference(s):</b>	<p>United Nations Convention against Corruption (2004): Articles 14, 23</p> <p>United Nations Convention against Transnational Organized Crime (2003)</p> <p>Financial Action Taskforce (2012): The FAFT Recommendations: Recommendation 3</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

### 2.3.2. Enforcement of laws prohibiting laundering of proceeds of crime

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting laundering proceeds of crime</i>
<b>Indicator name:</b>	<b><i>Enforcement of laws prohibiting laundering of proceeds of crime</i></b>
<b>Indicator number:</b>	<b><i>1.3.2.</i></b>
<b>Scoring question:</b>	<b><i>Are sanctions and incentives applied in practice to deter the laundering of proceeds of crime?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• law enforcement agencies show <u>active enforcement</u> of cases of laundering of <u>proceeds of crime</u>;</li> <li>• <u>dissuasive, proportionate, effective sanctions</u> are applied for cases of laundering of <u>proceeds of crime</u> <ul style="list-style-type: none"> <li>○ against any person who directs or works, in any capacity, for a private sector entity;</li> <li>○ against legal persons;</li> </ul> </li> <li>• long and adequate statute of limitation periods apply;</li> <li>• <u>proportionate, persuasive and effective mitigation incentives</u> (for example, absence of inappropriate defences) in the form of reduced or suspended sanctions for legal and natural persons are applied (for example, leniency programmes).</li> </ul>
<b>Assessment reference(s):</b>	<p>United Nations Convention against Corruption (2004): Articles 14, 23</p> <p>United Nations Convention against Transnational Organized Crime (2003)</p> <p>Financial Action Taskforce (2012): The FAFT Recommendations: Recommendations part D</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

### 2.3.3. Capacities to enforce laws prohibiting laundering of proceeds of crime

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting laundering of proceeds of crime</i>
<b>Indicator name:</b>	<b><i>Capacities to enforce laws prohibiting laundering proceeds of crime</i></b>
<b>Indicator number:</b>	<b><i>1.3.3.</i></b>
<b>Scoring question:</b>	<b><i>Are adequate enforcement capacities available for enforcing laws prohibiting laundering of proceeds of crime?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• adequate funding and staff for enforcement authorities is available;</li> <li>• enforcement authorities have operational independence;</li> <li>• national anti-corruption agencies, prosecution offices, competition and tax authorities, and financial regulators cooperate on enforcement;</li> <li>• national authorities cooperate with foreign law enforcement authorities on investigation and enforcement (mutual legal assistance).</li> </ul>
<b>Assessment reference(s):</b>	<p>United Nations Convention against Corruption (2004): Articles 14, 23</p> <p>United Nations Convention against Transnational Organized Crime (2003)</p> <p>Financial Action Taskforce (2012): The FAFT Recommendations: Recommendations part D</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.4. PROHIBITING COLLUSION

### 2.4.1. Laws prohibiting collusion

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting collusion</i>
<b>Indicator name:</b>	<b><i>Laws prohibiting collusion</i></b>
<b>Indicator number:</b>	<b><i>1.4.1.</i></b>
<b>Scoring question:</b>	<b><i>Do the country's laws prohibit collusion?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if laws prohibit hard core cartels, including at a minimum the following <u>collusion</u> activities:</p> <ul style="list-style-type: none"> <li>• fixing prices;</li> <li>• making rigged bids (collusive tenders);</li> <li>• establishing output restrictions quotas;</li> <li>• sharing or dividing markets by allocating customers, suppliers, territories or lines of commerce.</li> </ul>
<b>Assessment reference(s):</b>	<p>Transparency International Policy Position #07/2009: Countering Cartels to End Corruption and Protect the Consumer</p> <p>OECD (1998): Recommendation of the Council concerning Effective Action against Hard Core Cartels.</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.4.2. Enforcement of laws prohibiting collusion

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting collusion</i>
<b>Indicator name:</b>	<b><i>Enforcement of laws prohibiting collusion</i></b>
<b>Indicator number:</b>	<b><i>1.4.2.</i></b>
<b>Scoring question:</b>	<b><i>Are sanctions and incentives applied in practice to deter collusive practices?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• law enforcement agencies show <u>active enforcement</u> of cases of <u>collusion</u>;</li> <li>• <u>dissuasive, proportionate, effective sanctions</u> are applied for cases of collusion <ul style="list-style-type: none"> <li>○ against any person who directs or works, in any capacity, for a private sector entity;</li> <li>○ against legal persons;</li> </ul> </li> <li>• long and adequate statute of limitation periods apply;</li> <li>• <u>proportionate, persuasive and effective mitigation incentives</u> (for example, absence of inappropriate defences) in the form of reduced or suspended sanctions for legal and natural persons are applied (for example, leniency programmes).</li> </ul>
<b>Assessment reference(s):</b>	<p>Transparency International Policy Position #07/2009: Countering Cartels to End Corruption and Protect the Consumer</p> <p>OECD (1998): Recommendation of the Council concerning Effective Action against Hard Core Cartels.</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

### 2.4.3. Capacities to enforce laws prohibiting collusion

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting collusion</i>
<b>Indicator name:</b>	<b><i>Capacities to enforce laws prohibiting collusion</i></b>
<b>Indicator number:</b>	<b><i>1.4.3.</i></b>
<b>Scoring question:</b>	<b><i>Are adequate enforcement capacities available for enforcing laws prohibiting collusion?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• adequate funding and staff for enforcement authorities is available;</li> <li>• enforcement authorities have operational independence;</li> <li>• national anti-corruption agencies, prosecution offices, competition and tax authorities, and financial regulators cooperate on enforcement;</li> <li>• national authorities cooperate with foreign law enforcement authorities on investigation and enforcement (mutual legal assistance).</li> </ul>
<b>Assessment reference(s):</b>	<p>Transparency International Policy Position #07/2009: Countering Cartels to End Corruption and Protect the Consumer</p> <p>OECD (1998): Recommendation of the Council concerning Effective Action against Hard Core Cartels.</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)



## 2.5. WHISTLEBLOWING

### 2.5.1. Whistleblower laws

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Whistleblowing</i>
<b>Indicator name:</b>	<b><i>Whistleblower laws</i></b>
<b>Indicator number:</b>	<b><i>1.5.1</i></b>
<b>Scoring question:</b>	<b><i>Do the country's laws provide for protection to public and private sector whistleblowers regarding corruption?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if laws offer</p> <ul style="list-style-type: none"> <li>• Comprehensive coverage of organisations (for example, few or no “carve-outs”);</li> <li>• Broad definition of reportable wrongdoing that harms or threatens the public <b>interest</b> (for example, including corruption, financial misconduct and other legal, regulatory and ethical breaches);</li> <li>• Broad definition of “whistleblowers”, whose disclosures are protected (for example, including employees, contractors, volunteers and other insiders);</li> <li>• Comprehensive requirements for organisations to have internal disclosure procedures (for example, including requirements to establish reporting channels, to have internal investigation procedures, and to have procedures for supporting and protecting internal whistleblowers from point of disclosure);</li> <li>• Protections apply to a wide range of retaliatory actions and detrimental outcomes (for example, relief from legal liability, protection from prosecution, direct reprisals, adverse employment action and harassment);</li> <li>• Comprehensive and accessible civil and/or employment remedies for whistleblowers who suffer detrimental action (for example, compensation rights, injunctive relief; with realistic burden on employers or other reprisors to demonstrate detrimental action was not related to disclosure);</li> <li>• Reasonable criminal, and/or disciplinary sanctions against those responsible for retaliation.</li> </ul>
<b>Assessment reference(s):</b>	<ul style="list-style-type: none"> <li>• United Nations Convention against Corruption (2004): Articles 33, 39</li> <li>• Transparency Whistleblower Principles (2013)</li> <li>• Transparency International, Money, Politics, and Power: Corruption Risks in Europe (2012)</li> <li>• Transparency International (2013): Whistleblowing in Europe – Legal protections for Whistleblowers in the EU</li> <li>• Transparency International Australia, The University of Melbourne, Griffith (2014): Whistleblower Protection Laws in G20 Countries – Priorities for Action.</li> </ul>

<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)
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## 2.5.2. Enforcement of whistleblower laws

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Protection of whistleblowers</i>
<b>Indicator name:</b>	<b><i>Enforcement of whistleblower laws</i></b>
<b>Indicator number:</b>	<b><i>1.5.2</i></b>
<b>Scoring question:</b>	<b><i>To what extent does the public sector enforce the laws protecting whistleblowers in the public and private sector?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• A full range of internal (organisational) and regulatory agency reporting channels exists;</li> <li>• Transparent and accountable enforcement exists (including annual public reporting, and provisions that override confidentiality clauses in employer–employee settlements);</li> <li>• Internal disclosure procedures used by public and private organisations to adequately protect employees who report wrongdoing;</li> <li>• There are anonymous channels for employees to report sensitive information to auditors or regulators without fear of being exposed;</li> <li>• independent agencies to investigate whistleblowers' disclosures and complaints of whistleblower laws exist;</li> <li>• oversight by an independent whistleblower investigation/complaints authority or tribunal.</li> </ul>
<b>Assessment reference(s):</b>	<ul style="list-style-type: none"> <li>• United Nations Convention against Corruption (2004): Articles 33, 39</li> <li>• Transparency Whistleblower Principles (2013)</li> <li>• Transparency International (2013): Whistleblowing in Europe – Legal Protections for Whistleblowers in the EU</li> </ul>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.6. ACCOUNTING, AUDITING AND DISCLOSURE

### 2.6.1. Accounting and auditing standards

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Accounting, auditing and disclosure</i>
<b>Indicator name:</b>	<b><i>Accounting and auditing standards</i></b>
<b>Indicator number:</b>	<b><i>1.6.1.</i></b>
<b>Scoring question:</b>	<b><i>Does the country's accounting and auditing regulatory framework adhere to internationally recognised standards (for example, International Financial Reporting Standards)?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• companies are required to prepare regular financial statements that follow international recognised accounting standards, such as International Financial Reporting Standards;</li> <li>• standards prohibit <u>inappropriate accounting acts</u>;</li> <li>• companies are required to maintain accurate books and records available for inspection that properly and fairly document all financial transactions;</li> <li>• companies are required to maintain effective internal control systems, supported – where warranted by size or risk levels – by an internal audit function;</li> <li>• companies that are publicly traded, as well as large non-listed or privately held companies with substantial international business, are required to have accounts externally audited and published on an annual basis according to internally recognised auditing standards, such as International Standards on Auditing (ISA).</li> </ul>
<b>Assessment reference(s):</b>	United Nations Convention against Corruption (UNCAC), 2004: Articles 12 (2)(f), 12(3) and 12(4)
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.6.2. Enforcement of accounting and auditing standards

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Accounting, auditing and disclosure</i>
<b>Indicator name:</b>	<b><i>Enforcement of accounting and auditing standards</i></b>
<b>Indicator number:</b>	<b><i>1.6.2.</i></b>
<b>Scoring question:</b>	<b><i>Is the adherence of the country's accounting and auditing regulatory framework enforced in practice?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• law enforcement agencies show <u>active enforcement</u> of cases of non-adherence to accounting and auditing standards;</li> <li>• the country's <u>institutional oversight system</u> contributes to the effective enforcement of accounting and auditing standards;</li> <li>• effective, proportionate and dissuasive civil, administrative or criminal penalties for failure to keep or for omissions and falsification of books, records and accounts for the purpose of concealing corruption are applied;</li> <li>• enforcement activities are periodically reported to the public, providing at least information on the enforcement policies adopted and decisions taken in individual cases, including accounting matters.</li> </ul>
<b>Assessment reference(s):</b>	United Nations Convention against Corruption (UNCAC), 2004: Articles 12 (2)(f), 12(3) and 12(4)
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

### 2.6.3. Professional service providers

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Accounting, auditing and disclosure</i>
<b>Indicator name:</b>	<b><i>Professional service providers</i></b>
<b>Indicator number:</b>	<b><i>1.6.3.</i></b>
<b>Scoring question:</b>	<b><i>Are the country's professional service providers (for accounting, auditing, rating or other related advisory services) required to comply with internationally recognised standards?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• <u>professional service providers</u> (including trust and company service providers) are subject to formal licensing;</li> <li>• <u>professional service providers</u> perform their services autonomously, ensuring independence from government agencies and companies;</li> <li>• professional oversight bodies exist to exercise technical oversight and to impose sanctions for poor performance and unethical behaviour.</li> </ul>
<b>Assessment reference(s):</b>	
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.6.4. Beneficial ownership

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Accounting, auditing and disclosure</i>
<b>Indicator name:</b>	<b><i>Beneficial ownership</i></b>
<b>Indicator number:</b>	<b><i>1.6.4.</i></b>
<b>Scoring question:</b>	<b><i>Do the country's laws require public information on <u>beneficial ownership</u> for companies, trusts and other legal structures?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• public registers showing beneficial ownerships of companies are freely available and in machine-readable formats;</li> <li>• public registers include full name, birth date, nationality, address of the registered office and the principle place of business (if different), as well as a description of how the ownership or control is exercised (such as the percentage of shares held);<sup>4</sup></li> <li>• trustees are required to collect information on the beneficiaries and settlors of the trusts they administer, to make such information accessible to tax and law enforcement authorities and to report suspicious activities;</li> <li>• nominees fronting directors or shareholders are disclosed on record, including the name of the beneficial owner behind the nominee;</li> <li>• wilful misrepresentation of beneficial ownership information provide grounds for criminal and civil penalties, including the possibility of imprisonment;</li> <li>• failure to disclose nominees fronting directors or shareholders are grounds for criminal and civil penalties, including the possibility of imprisonment.</li> </ul>
<b>Assessment reference(s):</b>	<p>Transparency International Policy Brief 02/2014</p> <p>Transparency International, Fighting Money Laundering in the EU: From Secret Ownership to Public Registries (2014)</p> <p>Governance of Stolen Assets (2011)</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

<sup>4</sup> In the absence of a full public register, companies involved in government procurement processes or in privatisation of state assets must disclose their beneficial ownership information, including the final beneficiary of associated and parent companies.

## 2.7. PROHIBITING UNDUE INFLUENCE

### 2.7.1. Laws on political contributions

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting undue influence</i>
<b>Indicator name:</b>	<b><i>Laws on political contributions</i></b>
<b>Indicator number:</b>	<b><i>1.7.1.</i></b>
<b>Scoring question:</b>	<b><i>Is undue influence in the form of political contributions from the private sector to political parties and/or individual candidates prohibited by law?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• there is a transparent and equitable mechanism to determine direct public funding for electoral campaigns;</li> <li>• the use of State resources in favour of or against political parties and individual candidates is prohibited;</li> <li>• there is a ban on anonymous contributions;</li> <li>• financial and in-kind contributions, as well as loans to political parties and individual candidates, must be reported;</li> <li>• there are limits on corporate donations to political parties and individual political candidates.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Money, Politics, and Power: Corruption Risks in Europe (2012)
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)



## 2.7.2. Enforcement and public disclosure on political contributions

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting undue influence</i>
<b>Indicator name:</b>	<b><i>Enforcement and public disclosure on political contributions</i></b>
<b>Indicator number:</b>	<b><i>1.7.2.</i></b>
<b>Scoring question:</b>	<b><i>Is the prohibition of undue influence in the form of political contributions from the private sector to political parties and/or individual candidates monitored in practice?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• political finance information is monitored by an independent oversight authority;</li> <li>• political parties and individual candidates report itemised contributions and expenditures both during and outside electoral campaign periods;</li> <li>• citizens can easily access the financial information of all political parties and individual candidates;</li> <li>• the results of investigations or audits by authorities are published.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Money, Politics, and Power: Corruption Risks in Europe (2012)
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

### 2.7.3. Laws on lobbying

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting undue influence</i>
<b>Indicator name:</b>	<b><i>Laws on lobbying</i></b>
<b>Indicator number:</b>	<b><i>1.7.3.</i></b>
<b>Scoring question:</b>	<b><i>Is undue influence in the form of lobbying by the private sector prohibited by law?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• lobbying regulations define lobbyists broadly (including private sector-related public affairs consultancies, corporate lobbyists, professional associations, trade unions and law firms);</li> <li>• lobbying regulations define lobbying targets broadly (including members of national and sub-national legislative and executive branches, and high-level officials in national and sub-national public administrations, regulatory bodies and private bodies performing public functions);</li> <li>• a mandatory public register for lobbyists is required;</li> <li>• lobbyists are required to publicly and regularly disclose relevant personal and employment information, information on lobbying objectives and clients, who they are targeting, what they are advocating and lobbying expenditures;</li> <li>• a “legislative footprint” procedure is required for key pieces of legislation, which documents the time, person and subject of a legislator’s contact with a lobbyist or stakeholder giving input into draft legislation;</li> <li>• there is a “cooling-off” period for of at least two years for public officials (elected or appointed) and <u>senior civil servants</u> leaving government and working as lobbyists.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Controlling Corporate Lobbying and Financing of Political Activities (2009)
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.7.4. Enforcement and public disclosure on lobbying

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting undue influence</i>
<b>Indicator name:</b>	<b><i>Enforcement and public disclosure on lobbying</i></b>
<b>Indicator number:</b>	<b><i>1.7.4.</i></b>
<b>Scoring question:</b>	<b><i>Is the prohibition of undue influence in the form of lobbying by the private sector monitored in practice?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• an independent, mandated and well-resourced oversight body exists that manages registration of lobbyists, offers guidance to individuals and organisations, and investigates apparent breaches or anomalies;</li> <li>• a mandatory public register for lobbyists collects data and makes it accessible online in a machine-readable format;</li> <li>• lobbyists regularly disclose relevant personal and employment information, information on lobbying objectives and clients, who they are targeting, what they are advocating and lobbying expenditures;</li> <li>• a “legislative footprint” is applied to key pieces of legislation which documents the time, person and subject of a legislator’s contact with a lobbyist or stakeholder giving input into the draft legislation.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Controlling Corporate Lobbying and Financing of Political Activities (2009)
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.7.5. Laws on other conflicts of interest

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting undue influence</i>
<b>Indicator name:</b>	<b><i>Laws on other conflicts of interest</i></b>
<b>Indicator number:</b>	<b><i>1.7.5.</i></b>
<b>Scoring question:</b>	<b><i>Is undue influence in the form of other conflicts of interest between the private and the public sector prohibited by law?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• public officials and <u>senior civil servants</u> need to declare publicly and regularly <ul style="list-style-type: none"> <li>○ paid and unpaid positions in private sector entities (for example, as a strategic advisor or board member);</li> <li>○ financial investments in companies;</li> <li>○ gifts, benefits and hospitality received from private sector entities;</li> </ul> </li> <li>• there is a “cooling-off” period for of at least two years<sup>5</sup> for <ul style="list-style-type: none"> <li>○ public officials (elected or appointed) and <u>senior civil servants</u> moving to the private sector (post-public employment), and for</li> <li>○ corporate executives to senior public offices and posts in governments (pre-employment).</li> </ul> </li> </ul>
<b>Assessment reference(s):</b>	Transparency International Policy Position #06/10: Regulating the revolving door
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

<sup>5</sup> The most common response for dealing with post-employment conflicts is using rules that mandate “cooling-off” periods. These measures determine a time period whereby an individual is prohibited from undertaking tasks in the other sector that relate to his or her current duties.

## 2.7.6. Enforcement and public disclosure of other conflicts of interest

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Prohibiting undue influence</i>
<b>Indicator name:</b>	<b><i>Enforcement and public disclosure of other conflicts of interest</i></b>
<b>Indicator number:</b>	<b><i>1.7.6.</i></b>
<b>Scoring question:</b>	<b><i>Is the prohibition of undue influence in the form of other conflicts of interest between the private and the public sector monitored in practice?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• conflicts of interest are monitored by an independent oversight authority;</li> <li>• public officials and senior civil servants publicly and regularly declare their relationship with the private sector (for example, paid and unpaid positions in private sector entities, financial investments in companies, gifts, benefits and hospitality received from private sector entities);</li> <li>• the “cooling-off” pre-employment period for of at least two years for post-public employment is monitored.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International Policy Position #06/10: Regulating the revolving door
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.8. PUBLIC PROCUREMENT

### 2.8.1. Operating environment

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Public procurement</i>
<b>Indicator name:</b>	<b><i>Operating environment</i></b>
<b>Indicator number:</b>	<b><i>1.8.1.</i></b>
<b>Scoring question:</b>	<b><i>To what extent do the country's public procurement processes ensure that contracts are awarded in a fair and impartial manner?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• information regarding the key aspects of the public procurement process (planning, bidding, evaluation, implementation and monitoring) is made publically available,<sup>6</sup> ideally digitally and in widely used formats;</li> <li>• administrative processes limit the scope for discretionary decision-making (for example, e-procurement);</li> <li>• contracts between the procuring agency and its contractors, suppliers and service providers require the parties to comply with strict anti-corruption policies;</li> <li>• public contracts above a certain threshold, which is defined in law or regulations, should <ul style="list-style-type: none"> <li>○ be subject to competitive bidding;</li> <li>○ consider requiring "Integrity Pacts".</li> </ul> </li> </ul>
<b>Assessment reference(s):</b>	Transparency International, <i>Curbing Corruption in Public Procurement: A Practical Guide</i> , 2014
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

<sup>6</sup> Such information may include, but is not limited to, needs assessments, procurement budgets and plans, tender opportunities, technical specifications, selection criteria, the award decision and its justification, the contract and any amendments.

## 2.8.2. Integrity of contracting authorities

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Public procurement</i>
<b>Indicator name:</b>	<b><i>Integrity of contracting authorities</i></b>
<b>Indicator number:</b>	<b><i>1.8.2.</i></b>
<b>Scoring question:</b>	<b><i>To what extent do the country's contracting authorities and their employees adhere to internationally recognised standards of integrity and ethical behaviour?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• the contracting authorities and their employees commit to a strict anti-corruption policy as part of a code of conduct;</li> <li>• the contract authorities and their employees receive regular training on the anti-corruption policy;</li> <li>• internal control and auditing bodies function independently;</li> <li>• financial asset reports for senior managers of the contracting authorities are available to the public;</li> <li>• safe, anonymous mechanisms for whistleblowers are provided;</li> <li>• dissuasive, proportionate sanctions are in place for contracting authorities and its employees upon a determination of corruption;</li> <li>• procurement positions are adequately remunerated.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Curbing Corruption in Public Procurement: A Practical Guide, 2014
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

### 2.8.3. External safeguards

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Public procurement</i>
<b>Indicator name:</b>	<b><i>External safeguards</i></b>
<b>Indicator number:</b>	<b><i>1.8.3.</i></b>
<b>Scoring question:</b>	<b><i>To what extent do the country's public procurement processes include external safeguards for detecting and reporting violations?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• external control and auditing bodies function independently and their reports are publically available;</li> <li>• robust, independent and effective appeals processes are in place for aggrieved bidders;</li> <li>• independent and effective complaints mechanisms for reporting allegations of corruption are in place;</li> <li>• a voluntary disclosure programme is provided that allows companies to report on corruption in return for mitigation sanctions;</li> <li>• the participation of <u>civil society</u> organisations as independent monitors at all stages of the procurement process is promoted.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Curbing Corruption in Public Procurement: A Practical Guide, 2014
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)



## 2.8.4. Regulations for the private sector

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Public procurement</i>
<b>Indicator name:</b>	<b><i>Regulations for the private sector</i></b>
<b>Indicator number:</b>	<b><i>1.8.4.</i></b>
<b>Scoring question:</b>	<b><i>To what extent do the country's public procurement processes require integrity measures in bidding entities?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• companies are permitted to tender only if they have implemented a code of conduct under which the company and its employees commit to a strict anti-corruption policy and certify that they have not engaged in illegal conduct as part of their bid;</li> <li>• companies are permitted to tender only if its ownership structure is clear and publicly available, including the disclosure of their beneficial owner as well as the ultimate beneficiary of associated and parent companies;</li> <li>• sanctions against companies and their representatives are effective, proportionate and dissuasive and include monetary and non-monetary penalties (for example, debarment);</li> <li>• settlement mechanisms and procedures are publically available;</li> <li>• genuine incentives are offered for companies with effective anti-corruption programmes in place (for example, favourable procurement conditions).</li> </ul>
<b>Assessment reference(s):</b>	<p>Transparency International, Curbing Corruption in Public Procurement: A Practical Guide, 2014</p> <p>Transparency International Policy Position 02/2014</p> <p>Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions (2009): Article III, X.C, XI</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.9. TAXES AND CUSTOMS

### 2.9.1. Operating environment

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Taxes and customs</i>
<b>Indicator name:</b>	<b><i>Operating environment</i></b>
<b>Indicator number:</b>	<b><i>1.9.1.</i></b>
<b>Scoring question:</b>	<b><i>Are the country's tax and custom administrations utilising processes in accordance with international recognised standards?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• processes to determine, pay and collect are simple, standardised and transparent (including the number of taxes or customs, the regulation of taxes among federal and local authorities, the level of tax and custom rates and the number of, and criteria for, tax exemptions) and rely on few interactions between payers and tax and custom officials, limiting officials' discretionary powers;</li> <li>• where feasible, technology is used in the administration of taxes and customs, such as electronic filing, paying tax or custom liabilities, generation of identification numbers, and providing online information on company rights;</li> <li>• there is transparency in information on taxes and custom fees collected and their sources;</li> <li>• there is transparency in tax deals made with national and multinational companies, including advance tax agreements.</li> </ul>
<b>Assessment reference(s):</b>	<p>World Customs Organization (2013): Declaration of the Customs co-operation council concerning good governance and integrity in customs (The Revised Arusha Declaration)</p> <p>B20 Anti-Corruption Working Group Report to the B20 Office and Taskforce Chairs</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 2.9.2. Integrity of tax administration authorities

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Taxes and customs</i>
<b>Indicator name:</b>	<b><i>Integrity of tax administration authorities</i></b>
<b>Indicator number:</b>	<b><i>1.9.2.</i></b>
<b>Scoring question:</b>	<b><i>Are the country's tax and custom administrations and its employees committed to internationally recognised standards of integrity and ethical behaviour?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• the tax and custom administration(s) and its employees commit to a strict anti-corruption policy as part of a code of conduct;</li> <li>• the tax and custom administration(s) and its employees receive regular training on the anti-corruption policy;</li> <li>• internal control and auditing bodies function independently, effectively and efficiently;</li> <li>• dissuasive and proportionate sanctions are in place for tax and custom administration employees as well as private sector staff upon a determination of corruption;</li> <li>• safe, anonymous mechanisms for whistleblowers are provided;</li> <li>• tax and custom official positions are adequately remunerated.</li> </ul>
<b>Assessment reference(s):</b>	<p>World Customs Organization (2013): Declaration of the Customs co-operation council concerning good governance and integrity in customs (The Revised Arusha Declaration)</p> <p>World Customs Organization (2012): Revised Integrity Development Guide</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

### 2.9.3. External safeguards

<b>Stakeholder group:</b>	<i>Public Sector</i>
<b>Thematic area:</b>	<i>Taxes and customs</i>
<b>Indicator name:</b>	<b><i>External safeguards</i></b>
<b>Indicator number:</b>	<b><i>1.9.3.</i></b>
<b>Scoring question:</b>	<b><i>Are the country's tax and revenue collection processes integrating external safeguards for detecting and reporting violations?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• a single tax and custom identification number for companies is used;</li> <li>• external control and auditing bodies function independently and their reports are publically available;</li> <li>• independent and effective complaints mechanisms for reporting allegations of corruption are in place;</li> <li>• a voluntary disclosure programme is provided that allows companies to report on corruption in return for mitigation sanctions.</li> </ul>
<b>Assessment reference(s):</b>	<p>World Customs Organization (2013): Declaration of the Customs co-operation council concerning good governance and integrity in customs (The Revised Arusha Declaration)</p> <p>World Customs Organization (2012): Revised Integrity Development Guide</p>
<b>Proposed data collection method:</b>	Mainly through desk research; additional expert interviews (if needed)

## 3. ASSESSMENT CATEGORIES FOR PRIVATE SECTOR ASSESSMENT

***Assessment of activities by a country's private (business) sector efforts in preventing, reducing and responding to corruption in the private sector***

### 3.1. INTEGRITY MANAGEMENT

#### 3.1.1. Provision of policies

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Integrity management</i>
<b>Indicator name:</b>	<b><i>Provision of policies</i></b>
<b>Indicator number:</b>	<b><i>2.1.1.</i></b>
<b>Scoring question:</b>	<b><i>To what extent do companies establish formal policies to counter corruption?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• companies establish clear, visible and accessible formal policies prohibiting corruption;</li> <li>• these policies address the most prevalent risks of corruption, such as conflicts of interests, bribes, political contributions, charitable contributions and sponsorships, <u>facilitation payments</u>, gifts, hospitality and expenses, money laundering and collusion;</li> <li>• policies are visible to all parties within and outside the company;</li> <li>• adherence to policies is mandatory and applies to all levels, functions and areas of the company.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Business Principles for Countering Bribery (2013)
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews

### 3.1.2. Implementation of practices

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Integrity management</i>
<b>Indicator name:</b>	<b><i>Implementation of practices</i></b>
<b>Indicator number:</b>	<b><i>2.1.2.</i></b>
<b>Scoring question:</b>	<b><i>To what extent do companies have anti-corruption programmes in place?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• companies implement a programme that reflects their particular business risks, circumstances and culture;</li> <li>• the Chief Executive Officer or owner of the company is responsible for ensuring that the programme is carried out consistently with clear lines of authority;</li> <li>• companies implement a risk-based programme that includes at a minimum <ul style="list-style-type: none"> <li>○ human resources practices that the company's commitment to the programme (for example recruitment, promotion, performance evaluation);</li> <li>○ training of managers and employees;</li> <li>○ internal communication;</li> <li>○ feedback mechanisms and other internal processes supporting the continuous improvement of the programme;</li> </ul> </li> <li>• compliance with the programme is mandatory for all employees;</li> <li>• appropriate sanctions for violations of the programme are applied;</li> <li>• companies regularly review and evaluate their programme;</li> <li>• companies cooperate appropriately with relevant authorities in connection with corruption investigations and prosecutions.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Business Principles for Countering Bribery (2013)
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews.

### 3.1.3. Whistleblowing

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Integrity management</i>
<b>Indicator name:</b>	<b><i>Whistleblowing</i></b>
<b>Indicator number:</b>	<b>2.1.3.</b>
<b>Scoring question:</b>	<b><i>To what extent do companies provide secure and accessible channels to raise concerns and report violations (whistleblowing) in confidence and without risk of reprisal?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• secure and accessible channels are provided to report information about actual, suspected or perceived corruption in the company;</li> <li>• employees alerting the management of abuses are protected from victimisation and retaliation;</li> <li>• the information provided by reporting persons is handled promptly and through an orderly follow-up process, and any further course of action undertaken is communicated to the reporting person.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Business Principles for Countering Bribery (2013)
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews.

### 3.1.4. Business partner management

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Integrity management</i>
<b>Indicator name:</b>	<b><i>Business partner management</i></b>
<b>Indicator number:</b>	<b><i>2.1.4.</i></b>
<b>Scoring question:</b>	<b><i>To what extent do companies apply their anti-corruption programme to relevant business partners?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• companies implement their programme in all business entities over which they have effective control (for example, subsidiaries);</li> <li>• companies use their influence to encourage an equivalent programme in business entities in which they have a significant investment or with which they have a significant business relationships but no effective control;</li> <li>• companies undertake due diligence of business entities when entering into a relationship, including mergers, acquisitions and significant investments;</li> <li>• companies perform reasonable and proportionate monitoring of its significant business relationships, including the right of inspection of books and records.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Business Principles for Countering Bribery (2013)
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews.



## 3.2. AUDITING AND ASSURANCE

### 3.2.1. Internal control and monitoring structures

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Auditing and assurance</i>
<b>Indicator name:</b>	<b><i>Internal control and monitoring structures</i></b>
<b>Indicator number:</b>	<b><i>2.2.1.</i></b>
<b>Scoring question:</b>	<b><i>To what extent do companies establish internal control and monitoring structures that seek to detect and prevent corruption?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• companies establish and maintain an effective system of internal controls over corruption, comprising financial and organisational checks and balances over accounting and record-keeping practices and other business processes;</li> <li>• companies maintain available for inspection accurate books and records that properly and fairly document all financial transactions;</li> <li>• companies have independent, sufficiently resourced internal audit structures in place;</li> <li>• the effectiveness of the internal audit function is at least once every three years assessed by a qualified, independent reviewer, or by an external review team;</li> <li>• an Audit Committee (or equivalent body) assists in the oversight of the integrity of the company's financial statements, and its compliance with legal and other regulatory requirements;</li> <li>• the CEO and the Head of the Finance Function certify in a written statement to the Board of Directors that the financial statements present a true and fair view of the affairs of the company.</li> </ul>
<b>Assessment reference(s):</b>	<p>Transparency International, Business Principles for Countering Bribery (2013)</p> <p>Transparency International, Policy Position #03/2009: Strengthening Corporate Governance to Combat Corruption</p>
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews.

### 3.2.2. External audit

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Auditing and assurance</i>
<b>Indicator name:</b>	<b><i>External audit</i></b>
<b>Indicator number:</b>	<b><i>2.2.2.</i></b>
<b>Scoring question:</b>	<b><i>To what extent do companies subject their financial reporting to external audits?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• annual audit is conducted by an independent, competent and qualified, auditor in order to provide external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects;</li> <li>• companies utilise licensed external auditors;</li> <li>• the companies' external audit service providers are rotated frequently;</li> <li>• external auditors are independent of company officers, board members and their families and do not have any other substantive contracts with the audited company;</li> <li>• companies publically report on their external audits.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Policy Position #03/2009: Strengthening Corporate Governance to Combat Corruption
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews.

### 3.2.3. Independent assurance

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Auditing and assurance</i>
<b>Indicator name:</b>	<b><i>Independent assurance</i></b>
<b>Indicator number:</b>	<b>2.2.3.</b>
<b>Scoring question:</b>	<b><i>To what extent do companies undergo voluntary independent assurance on the design, implementation and/or effectiveness of the anti-corruption programme?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• companies undergo voluntary independent assurance on the design, implementation and/or effectiveness of the programme;</li> <li>• external assurance practitioners follow internally recognised standards, such as International Standard on Assurance Engagements (ISAE 3000);</li> <li>• companies publicly disclose related assurance opinions.</li> </ul>
<b>Assessment reference(s):</b>	<p>Transparency International, Business Principles for Countering Bribery (2013)</p> <p>Transparency International, Assurance Framework for Corporate Anti-bribery Programmes (2012)</p>
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews.

## 3.3. TRANSPARENCY AND DISCLOSURE

### 3.3.1. Disclosure of anti-corruption programmes

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Transparency and disclosure</i>
<b>Indicator name:</b>	<b><i>Disclosure of anti-corruption programmes</i></b>
<b>Indicator number:</b>	<b>2.3.1.</b>
<b>Scoring question:</b>	<b><i>To what extent do companies report publically on their anti-corruption programmes?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if companies publically disclose</p> <ul style="list-style-type: none"> <li>• the details of their anti-corruption programme;</li> <li>• their commitment to be in compliance with all relevant laws, including anti-corruption laws;</li> <li>• their leadership's support for anti-corruption;</li> <li>• that their code of conduct/anti-corruption policy explicitly applies to all employees; agents and other intermediaries, as well as contractors, subcontractors and suppliers;</li> <li>• that they have an anti-corruption training programme for employees and directors in place;</li> <li>• that they have a policy defining appropriate/inappropriate gifts, hospitality and travel expenses;</li> <li>• that there is a policy that explicitly forbids <u>facilitation payments</u>;</li> <li>• that the company prohibits retaliation for reporting violations of the anti-corruption policy;</li> <li>• that there are channels through which employees can report potential violations of the anti-corruption policy or seek advice in confidence;</li> <li>• that the company carries out regular monitoring of its anti-corruption programme;</li> <li>• that the company has a policy on political contributions that either prohibits such contributions or, if it does not, requires such contributions to be made public.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Transparency in Corporate Reporting, Methodology for "Disclosed anti-corruption programmes"
<b>Proposed data collection method:</b>	Transparency International methodology for "Transparency in Corporate Reporting"

### 3.3.2. Disclosure on organisational structures

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Transparency and disclosure</i>
<b>Indicator name:</b>	<b><i>Disclosure on organisational structures</i></b>
<b>Indicator number:</b>	<b>2.3.2.</b>
<b>Scoring question:</b>	<b><i>To what extent do companies report publically on their organisational structure?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if companies publically disclose</p> <ul style="list-style-type: none"> <li>• the full list of their fully consolidated subsidiaries;</li> <li>• the percentages owned in fully consolidated subsidiaries;</li> <li>• the countries of incorporation of fully consolidated subsidiaries;</li> <li>• the countries of operations of fully consolidated subsidiaries;</li> <li>• the full list of its non-fully consolidated subsidiaries;</li> <li>• the percentages owned in non-fully consolidated subsidiaries;</li> <li>• the countries of incorporation of its non-fully consolidated subsidiaries;</li> <li>• the countries of operations of its non-fully consolidated subsidiaries;</li> <li>• the names of beneficial owners.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Transparency in Corporate Reporting, Methodology for “Organisational transparency”
<b>Proposed data collection method:</b>	Transparency International methodology for “Transparency in Corporate Reporting”

### 3.3.3. Disclosure on country-by-country operations

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Transparency and disclosure</i>
<b>Indicator name:</b>	<b><i>Disclosure of key financial data a country-by-country basis</i></b>
<b>Indicator number:</b>	<b>2.3.3.</b>
<b>Scoring question:</b>	<b><i>Do companies report publically on their countries of operation?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if companies publically disclose</p> <ul style="list-style-type: none"> <li>• revenues/sales in country X for each <u>country of operations</u>;</li> <li>• capital expenditure in country X;</li> <li>• pre-tax income in country X;</li> <li>• income tax in country X;</li> <li>• community contribution in country X.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Transparency in Corporate Reporting, Methodology for “Country-by-country disclosure”
<b>Proposed data collection method:</b>	Transparency International methodology for “Transparency in Corporate Reporting”

### 3.3.4. Additional disclosure

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Transparency and disclosure</i>
<b>Indicator name:</b>	<b><i>Additional disclosures</i></b>
<b>Indicator number:</b>	<b>2.3.4.</b>
<b>Scoring question:</b>	<b><i>To what extent do companies publish information on charitable contributions, sponsorships and lobbying activities both domestically and internationally (for example corporate reporting or corporate social responsibility reports)?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if companies publically disclose all their charitable contributions, including</p> <ul style="list-style-type: none"> <li>• all their sponsorships;</li> <li>• all their lobbying activities.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Business Principles for Countering Bribery (2013), 5.3 and 5.4
<b>Proposed data collection method:</b>	Transparency International methodology for “Transparency in Corporate Reporting”

## 3.4. STAKEHOLDER ENGAGEMENT

### 3.4.1. Stakeholder relations

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Stakeholder engagement</i>
<b>Indicator name:</b>	<b><i>Stakeholder relations</i></b>
<b>Indicator number:</b>	<b>2.4.1.</b>
<b>Scoring question:</b>	<b><i>To what extent do companies engage in multi-stakeholder initiatives aimed at reducing corruption?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• companies encourage active co-operation with their stakeholders in creating – among other things – the sustainability of financially sound enterprises;</li> <li>• stakeholders participating in corporate governance processes have access to relevant, sufficient and reliable material information on a timely and regular basis (including financial and operating results of the company, company objectives, major share ownership and voting rights, foreseeable risk factors, governance structures and policies);</li> <li>• stakeholders, including individual employees and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the Board of Directors (or other equivalent body) and their rights should not be compromised for doing this;</li> <li>• shareholders have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes.</li> </ul>
<b>Assessment reference(s):</b>	OECD, OECD Principles of Corporate Governance (2004)
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews.



### 3.4.2. Business-driven anti-corruption initiatives

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Stakeholder engagement</i>
<b>Indicator name:</b>	<b><i>Business-driven anti-corruption initiatives</i></b>
<b>Indicator number:</b>	<b><i>2.4.2.</i></b>
<b>Scoring question:</b>	<b><i>To what extent do companies engage in multi-stakeholder initiatives aimed at reducing corruption?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• companies regularly and widely collaborate with stakeholders from the public sector and/or <u>civil society</u> to strengthen the anti-corruption principle (for example, in the form of principle-based initiatives);</li> <li>• companies collaborate with industry peers, aiming to jointly counter corruption (for example, sector coalitions);</li> <li>• companies publicly promote the benefits of engaging in multi-stakeholder anti-corruption initiatives.</li> </ul>
<b>Assessment reference(s):</b>	
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews.

### 3.4.3. Business associations

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Collaboration</i>
<b>Indicator name:</b>	<b><i>Business associations</i></b>
<b>Indicator number:</b>	<b>2.4.3.</b>
<b>Scoring question:</b>	<b><i>To what extent do business associations support companies in fighting corruption?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if all major business associations</p> <ul style="list-style-type: none"> <li>• take a visible stance against corruption;</li> <li>• provide supporting materials for companies on how to strengthen their anti-corruption efforts;</li> <li>• offer further help/support to companies or even take an active role in supporting anti-corruption (for example, in the form of certifying business coalitions, support desks).</li> </ul>
<b>Assessment reference(s):</b>	
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews.

## 3.5. BOARD OF DIRECTORS

### 3.5.1. Oversight

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Board of Directors</i>
<b>Indicator name:</b>	<b><i>Oversight</i></b>
<b>Indicator number:</b>	<b><i>2.5.1.</i></b>
<b>Scoring question:</b>	<b><i>To what extent is the Board of Directors responsible for the oversight of their company's anti-corruption programmes?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>responsibility for monitoring the effectiveness of the company's governance practices is formally assigned to the Board of Directors or equivalent body in the company;</li> <li>compliance with the company's anti-corruption programme is mandatory for the Board of Directors;</li> <li>the Board of Directors receive appropriate training on the programme (for example, fiduciary awareness);</li> <li>the Board of Directors receives regular status reports from the company's senior management on the programme and is informed on cases of major incidents and corrective actions.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Business Principles for Countering Bribery (2013)
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews.

### 3.5.2. Executive remuneration

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Board of Directors</i>
<b>Indicator name:</b>	<b><i>Executive remuneration</i></b>
<b>Indicator number:</b>	<b><i>2.5.2.</i></b>
<b>Scoring question:</b>	<b><i>To what extent are the Board member and senior executive remuneration of companies determined according to good corporate governance standards?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>the company's remuneration policy and employment contracts for Board members and key executives are handled by a special committee of the Board of Directors;</li> <li>Board and senior executive remuneration and benefits packages are made public;</li> <li>board and senior executive remuneration and benefits packages are tied to sustainable performance and determined by independent, non-executive directors;</li> <li>the remuneration packages of individual board members and senior executives (including long-term incentives, stock options and pensions) require shareholder approval.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Policy Position #03/2009: Strengthening Corporate Governance to Combat Corruption
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews.

### 3.5.3. Conflicts of interest

<b>Stakeholder group:</b>	<i>Private Sector</i>
<b>Thematic area:</b>	<i>Board of Directors</i>
<b>Indicator name:</b>	<b><i>Conflicts of interest</i></b>
<b>Indicator number:</b>	<b>2.5.3.</b>
<b>Scoring question:</b>	<b><i>To what extent are safeguards in place to govern Board of Directors conflicts of interest?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• Board of Directors are independent from company management to ensure proper and effective oversight;</li> <li>• safeguards are in place to deal with Board of Directors insider trading;</li> <li>• information on potential conflicts of interest from Board of Directors (and other senior representatives) is publically available, including outside appointments, parallel internal positions, financial investments and employment of relatives;</li> <li>• potential conflicts of interest of management, board members and shareholders (including misuse of corporate assets and abuse in related party transactions) is monitored and managed effectively.</li> </ul>
<b>Assessment reference(s):</b>	Transparency International, Policy Position #03/2009: Strengthening Corporate Governance to Combat Corruption
<b>Proposed data collection method:</b>	Desk-based research, for example studies from accounting companies or business associations; if such data is not (sufficiently) available, the researcher should conduct expert interviews.

## 4. ASSESSMENT CATEGORIES FOR CIVIL SOCIETY ASSESSMENT

***Assessment of activities by the country's Civil Society efforts in preventing, reducing and responding to corruption in the private sector***

### 4.1. BROADER CHECKS AND BALANCES

#### 4.1.1. Independent media

<b>Stakeholder group:</b>	<i>Civil Society</i>
<b>Thematic area:</b>	<i>Broader checks and balances</i>
<b>Indicator name:</b>	<b>Independent media</b>
<b>Indicator number:</b>	<b>3.1.1.</b>
<b>Scoring question:</b>	<b><i>To what extent is the country's media perceived as being free and independent?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if the media</p> <ul style="list-style-type: none"> <li>• is objective and independent of the private sector (including financial autonomy);</li> <li>• is objective and independent and free from the government;</li> <li>• are adhering to the highest standards of fairness and accuracy;</li> <li>• have a proven track record of successfully uncovering corruption in and from the private sector.</li> </ul>
<b>Assessment reference(s):</b>	
<b>Proposed data collection method:</b>	Existing international data sources such as Freedom House Press Freedom Index, IREX Media Sustainability Index, Reports without Borders
<b>Global/regional data sources (examples):</b>	

#### 4.1.2. Civil society engagement in business integrity

<b>Stakeholder group:</b>	<i>Civil Society</i>
<b>Thematic area:</b>	<i>Private sector engagement</i>
<b>Indicator name:</b>	<b>Civil society engagement in business integrity</b>
<b>Indicator number:</b>	<b>3.1.2.</b>
<b>Scoring question:</b>	<b><i>To what extent are civil society organisations engaged with companies in order to strengthen their commitment towards integrity, accountability and transparency?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• <u>civil society</u> has a track record of convening and support short- or long-term initiatives on key area for the private sector, such as public procurement and co-operation with law enforcement;</li> <li>• such initiatives involve anti-corruption stakeholders from the public sector, private sector and <u>civil society</u>;</li> <li>• such initiatives result in tangible outcomes and commitments from all participating stakeholders, for example publicly documented in an action plan.</li> </ul>
<b>Assessment reference(s):</b>	UNCAC Coalition, Civil Society Guide – UNCAC and the Private Sector (2013)
<b>Proposed data collection method:</b>	Desk-based research and expert interviews

#### 4.1.3. Civil Society monitoring of business integrity

<b>Stakeholder group:</b>	<i>Civil Society</i>
<b>Thematic area:</b>	<i>Broader checks and balances</i>
<b>Indicator name:</b>	<b>Civil Society monitoring of business integrity</b>
<b>Indicator number:</b>	<b>3.1.3.</b>
<b>Scoring question:</b>	<b><i>To what extent does the country have an active and engaged civil society monitoring private sector corruption?</i></b>
<b>Assessment criteria:</b>	<p>A full score is earned if</p> <ul style="list-style-type: none"> <li>• <u>civil society</u>'s watchdog role regarding business integrity in the private sector is well-developed;</li> <li>• there are many examples of high-profile and successful <u>civil society</u> activities in this regard;</li> <li>• there are widespread <u>civil society</u> advocacy campaigns and public events with regard to business integrity;</li> <li>• there are common instances where businesses have taken positive action following Civil Society Organisation advocacy.</li> </ul>
<b>Assessment reference(s):</b>	
<b>Proposed data collection method:</b>	Desk-based research and expert interviews



# ANNEX 1 – LIST OF COMMON DATA SOURCES

The primary type of data collection, especially for “BICA Indicators for Public Sector Assessment” should be desk-based research. The following list provides an overview of the most common and relevant global and regional data sources applicable for BICA:

- **[TI – NIS]** Transparency International – National Integrity System reports:  
[www.transparency.org/whatwedo/nis](http://www.transparency.org/whatwedo/nis)
- **[TI – TRAC]** Transparency International – Transparency in Corporate Reporting:  
[www.transparency.org/whatwedo/publication/transparency\\_in\\_corporate\\_reporting\\_assessing\\_worlds\\_largest\\_companies\\_2014](http://www.transparency.org/whatwedo/publication/transparency_in_corporate_reporting_assessing_worlds_largest_companies_2014)
- **[TI – BPI]** Transparency International – Bribe Payers Index:  
[www.transparency.org/bpi2011](http://www.transparency.org/bpi2011)
- **[TI – B Survey]** Transparency International – Business Survey:  
[www.transparency.org/research/bps2011](http://www.transparency.org/research/bps2011)
- **[UNODC – TRACK]** United Nations Office on Drugs and Crime – Tools and Resources for Anti-Corruption Knowledge – Legal Library:  
[www.track.unodc.org](http://www.track.unodc.org)
- **[UNCAC – Reviews]** United Nations Office on Drugs and Crime – United Nations Convention against Corruption reviews:  
[www.unodc.org/unodc/en/treaties/CAC/country-profile/](http://www.unodc.org/unodc/en/treaties/CAC/country-profile/)
- **[OECD – Reports]** Organisation for Economic Co-operation and Development – Country reports on the implementation of the OECD Anti-Bribery Convention:  
[www.oecd.org/daf/anti-bribery/countryreportsontheimplementationoftheoecdanti-briberyconvention.htm](http://www.oecd.org/daf/anti-bribery/countryreportsontheimplementationoftheoecdanti-briberyconvention.htm)
- **[WB – EoDB]** The World Bank – Ease of Doing Business rankings:  
[www.doingbusiness.org/rankings](http://www.doingbusiness.org/rankings)
- **[WEF – EOS]** World Economic Forum – Executive Opinion Survey:  
<https://wefsurvey.org/>
- **[WEF – GCR]** World Economic Forum – Global Competitiveness Report:  
<http://reports.weforum.org/global-competitiveness-report-2014-2015/report-highlights/#rankings>
- **[GtDt]** Getting the Deal through – Anti-Corruption Regulation:  
<https://gettingthedealthrough.com/>

In addition to these sources, the research should investigate if credible country-specific information is available (for example, studies from major accounting firms). If no relevant data from other sources is available, the researcher needs to collect information through either expert interviews or surveys, as outlined in Conceptual Framework for BICA Assessment, Supplement #1: Assessment Process.

#	Indicator Name	Global and regional data sources for BICA assessment										
		TI - NIS	TI - TRAC	TI - BPI	TI - B Survey	UNODC - TRACK	UNCAC - Reviews	OECD - Reports	WB - EoDB	WEF - EOS	WEF - GCR	GtDt
1.	<u>PUBLIC SECTOR: Core assessment categories</u>											
1.1.	Prohibiting bribery of public officials											
1.1.1.	Laws prohibiting bribery of public officials					x	x	x				x
1.1.2.	Enforcement of laws prohibiting bribery of public officials	(x)				x	x					x
1.1.3.	Capacity to enforce laws prohibiting bribery of public officials	(x)					x	x				(x)
1.2.	Prohibiting commercial bribery											
1.2.1.	Laws prohibiting commercial bribery					x	x	x				x
1.2.2.	Enforcement of laws prohibiting commercial bribery					x	x					x
1.2.3.	Capacity to enforce laws prohibiting commercial bribery						x					(x)
1.3.	Prohibiting laundering proceeds of crime											
1.3.1.	Laws prohibiting laundering proceeds of crime					x	x	x				x
1.3.2.	Enforcement of laws prohibiting laundering of proceeds of crime					x	x					x
1.3.3.	Capacity to enforce laws prohibiting laundering of proceeds of crime						x					(x)
1.4.	Prohibiting collusion											
1.4.1.	Laws prohibiting collusion					x	x	x				x
1.4.2.	Enforcement of laws prohibiting collusion					x	x					x
1.4.3.	Capacity to enforce laws prohibiting collusion						x					(x)
1.5.	Whistleblowing											
1.5.1.	Whistleblower laws	x					x	x				
1.5.2.	Enforcement of whistleblower laws						x	x				
1.6.	Accounting, auditing & disclosure											
1.6.1.	Accounting and auditing standards	x				(x)	(x)					x
1.6.2.	Enforcement of accounting and auditing standards					(x)	(x)					x
1.6.3.	Professional service providers	x				(x)	(x)					x
1.6.4.	Beneficial ownership											x
1.7.	Prohibiting undue influence											
1.7.1.	Laws on political contributions											
1.7.2.	Enforcement & public disclosure on political contributions											
1.7.3.	Laws on lobbying											
1.7.4.	Enforcement & public disclosure on lobbying											
1.7.5.	Laws on other conflicts of interest											
1.7.6.	Enforcement & public disclosure of other conflicts of interest											
1.8.	Public Procurement											
1.8.1.	Operating environment	x										x
1.8.2.	Professionalism of contracting authorities	x										x
1.8.3.	External safeguards	x										x
1.8.4.	Regulations for the business sector	x										x

#	Indicator Name	Global and regional data sources for BICA assessment										
		TI - NIS	TI - TRAC	TI - BPI	TI - B Survey	UNODC - TRACK	UNCAC - Reviews	OECD - Reports	WB - EoDB	WEF - EOS	WEF - GCR	GtDt
2. <u>PRIVATE SECTOR: Core assessment categories</u>												
2.1. Prevention												
2.1.1.	Formal policy of zero-tolerance of corruption									(x)	(x)	(x)
2.1.2.	Anti-corruption programme									(x)	(x)	(x)
2.1.3.	Whistleblowing									(x)	(x)	(x)
2.1.4.	Business partner management									(x)	(x)	(x)
2.2. Corporate Governance												
2.2.1.	Accountability											(x)
2.2.2.	Executive remuneration											(x)
2.3. Transparency												
2.3.1.	Disclosure on anti-corruption programmes	x	x									
2.3.2.	Disclosure on organizational structure	x	x									
2.3.3.	Disclosure on country-by-county operations	x	x									
2.3.4.	Additional disclosure	x										
2.4. Stakeholder Engagement												
2.4.1.	Business-driven anti-corruption initiatives											
2.4.2.	Business Associations											

#	Indicator Name	Global and regional data sources for BICA assessment										
		TI - NIS	TI - TRAC	TI - BPI	TI - B Survey	UNODC - TRACK	UNCAC - Reviews	OECD - Reports	WB - EoDB	WEF - EOS	WEF - GCR	GtDt
3.	CIVIL SOCIETY: Core assessment categories											
3.1.	Broader checks & balances											
3.1.1.	Independent media	x										
3.1.2.	Civil society engagement on business integrity	x										
3.1.3.	Civil Society monitoring of business integrity	x										

# ANNEX 2 – GLOSSARY

This glossary includes definitions of key terms and methodological terms.

***Active enforcement***

The enforcement categories (Active, Moderate, Limited, Little or No) show the level of enforcement efforts against foreign bribery. “Active Enforcement” is considered a major deterrent to corruption. “Moderate Enforcement” and “Limited Enforcement” indicate stages of progress, but are considered insufficient deterrence. Where there is “Little or No Enforcement”, there is no deterrence. A country that is an active enforcer initiates many investigations into corruption offences, these investigations reach the courts, the authorities press charges and courts convict individuals and/or companies both in ordinary cases and in major cases in which corrupt actors are convicted and receive substantial sanctions. For calculation-method, refer to Transparency International (2014): Exporting Corruption – Progress Report 2014: Enforcement of the OECD Convention on Combating Foreign Bribery.

***Beneficial ownership***

A beneficial owner is the real person who ultimately owns, controls or benefits from a company or trust fund and the income it generates. The term is used to contrast with the legal or nominee company owners and with trustees, all of whom might be registered as the legal owners of an asset without actually possessing the right to enjoy its benefits. Complex and opaque corporate structures set up across different jurisdictions make it easy to hide the beneficial owner, especially when nominees are used in their place and when part of the structure is incorporated in a secret jurisdiction.

***Bribery***

The offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages (taxes, services, donations, etc.).\*

***Business sector***

Any company, household or institution where goods and services are exchanged for one another or for money. This can include for-profit entities, state-owned enterprises, parastatals, including not-for-profit organisations. Business sector corruption is characterised by groups from this sector influencing decisions and actions that lead to abuses of entrusted power.\*

***Civil society***

The arena, outside of the family, State and market where people associate to advance a common set of interests. Voluntary and community groups, non-governmental organisations (NGOs), trade

unions and faith-based organisations commonly are included in this sphere, making the term broader than an NGO.\*

***Collusion***

A secret agreement between parties in the private sector to conspire to commit actions aimed to deceive or commit fraud with the objective of illicit financial gain. The parties involved often are referred to as “cartels”.\*

***Country of operations***

“Country of operations” are those countries in which a company is present either directly or through one of its consolidated subsidiaries. The relevant list of countries of operations should be based on the company’s own reporting.

***Dissuasive, proportionate and effective sanctions***

Sanctions are punishment for violations of anti-corruption standards. Sanctions can be considered effective, dissuasive and proportionate when corrupt conduct is thoroughly investigated and sanctions matching the gravity of the offence and outweighing the financial proceeds originating from the offence are consistently applied. Sanctions include a range and effective mix of financial and non-financial sanctions, including fines, the imposition of damages, the confiscation of the proceeds of crime and the imprisonment of business representatives.

***Facilitation payments***

A small bribe, also called a “facilitating”, “speed” or “grease” payment, made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement.\*

***Foreign public official***

“Foreign public official” shall mean any person holding a legislative, executive, administrative or judicial office of a foreign country, whether appointed or elected, and any person exercising a public function for a foreign country, including for a public agency or public enterprise.<sup>7</sup>

***Hard core cartels***

A “hard core cartel” is an anticompetitive agreement, anticompetitive concerted practice, or anticompetitive arrangement by competitors to fix prices, make rigged bids (collusive tenders), establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories or lines of commerce. (Article 2 (a); OECD (1998): Recommendation of the Council concerning Effective Action against Hard Core Cartels.)

***Inappropriate accounting acts***

Inappropriate accounting practices include the establishment of off-the-books accounts, the making of off-the-books or inadequately identified transactions, the recording of non-existent expenditure, the entry of liabilities with incorrect identification of their objects, the use of false documents, and the intentional destruction of

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<sup>7</sup> Taken from Article 2(b) of the United Nations Convention Against Corruption.

bookkeeping documents earlier than foreseen by the law. (Article 12 (3); United Nations Convention against Corruption.)

***Institutional oversight system***

Different types of institutional oversight systems, mainly for listed companies, can be distinguished: stock exchanges, stock exchange regulators, review panels, governmental departments. Countries may have more than one of the four systems described above for the enforcement of financial reporting standards. The process of concealing the origin, ownership or destination of illegally or dishonestly obtained money by hiding it within legitimate economic activities.\*\*

***Money laundering***

The process of concealing the origin, ownership or destination of illegally or dishonestly obtained money by hiding it within legitimate economic activities.\*\*

***Mutual legal assistance***

Mutual legal assistance is the formal process of co-operation between two or more jurisdictions, for example on cross-border money laundering, asset recovery and tax evasion cases. Through this co-operation, which is usually enacted through a treaty, a State can ask for and receive assistance in gathering information and evidence from private and public sources for use in official investigations and prosecutions.\*\*

***Official of a public international organisation***

An official of a public international organisation is an international civil servant or any person who is authorised by such an organisation to act on behalf of that organisation.<sup>8</sup>

***Proceeds of crime***

Proceeds of crime are any property derived from or obtained, directly or indirectly, through the commission of an offence (United Nations Convention against Corruption; Article 2(e)). Such proceeds typically include any economic advantages such as turnover or profits from corruptly gained contracts, the whole contract value, and any savings by means of reduced expenditures derived from the offence. Losses or expenses avoided through bribery can also be subject to confiscation.

***Proportionate, persuasive and effective mitigation incentives***

Mitigation incentives are reductions of threatened or applied sanctions in the form of reduced or suspended sanctions for: i) self-policing (for example, established anti-corruption programme or voluntary commitment); ii) self-reporting (for example, informing authorities on a corruption case); iii) co-operation (for example, comprehensive co-operation with authorities); iv) remedial actions (for example, improvement of anti-corruption programme after corruption case, dismissal of corrupt representatives, payment of

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<sup>8</sup> Taken from Article 2(c) of the United Nations Convention Against Corruption.

damages, identification and restitution of proceeds of corruption).<sup>9</sup> Mitigation incentives can be considered proportionate, persuasive and effective when they are applied for voluntary preventive or remedial actions to natural and legal persons, matching the efforts and investment of person and do not undermine the deterrent effect and signalling effect of associated sanctions. Additionally, any settlements leading to reduced/suspended sanctions are subject to court approval, their terms are published and such settlements are abstained from inhibiting prosecution in other jurisdictions.

**Public official**

A public official means: (i) any person holding a legislative, executive, administrative or judicial office of a State Party, whether appointed or elected, permanent or temporary, paid or unpaid, irrespective of that person's seniority; (ii) any other person who performs a public function, including for a public agency or public enterprise, or provides a public service, as defined in the domestic law of the State Party and as applied in the pertinent area of law of that State Party; (iii) any other person defined as a "public official" in the domestic law of a State Party.<sup>10</sup>

**Public sector**

The government and its decentralised units – including the police, military, public roads and transit authorities, primary schools and healthcare system – that use public funds and provide services based on the motivation to improve citizens' lives rather than to make a profit.\*

**Revolving door**

An individual who moves back and forth between public office and private companies, exploiting his/her period of government service for the benefit of the companies he/she used to regulate.\*

**Senior civil servant**

Senior civil servants typically includes department heads, their deputies and equivalents.

**Whistleblowing**

Making a disclosure in the public interest by an employee, director, or external person, in an attempt to reveal neglect or abuses within the activities of an organisation, government body or company (or one of its business partners) that threaten public interest, its integrity and reputation. The term in English is largely positive, although many languages lack a similar concept with the same connotation.

*All definitions marked with a \* are taken from the Plain Language Guide (2009).*

*All definitions marked with a \*\* are taken from the Financial Transparency Glossary (2014).*

<sup>9</sup> See, for typical scenarios: Humboldt-Viadrina School of Governance (2013): *Motivating Business To Counter Corruption – A Practitioner Handbook on Anti-Corruption Sanctions and Incentives* (pp. 88, Appendix II).

<sup>10</sup> Taken from Article 2(a) of the United Nations Convention Against Corruption.

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