

ANNEX A MATRIX FOR RISK ASSESSMENT

The following factors should be considered when undertaking an assessment of the potential risk in relation to bribery and corruption when dealing with a new business associate or entering a new market -

Jurisdiction

- Is it a high-risk country for corruption?
- Is the use of local agents to facilitate business with government encouraged?

Industry

- Does the industry lend itself to a high risk for corruption?
- Do regulatory action or legal proceedings form a regular part of transactions in the industry?
- Do any of the parties to the proposed transaction appear on a tender defaulters list or similar list?
- Does the person or party you are dealing with have little or no previous experience in the relevant industry?
- Connection with Government Officials, Government Entities and/or PEPs
- Does the person or party you are dealing with have frequent interaction with government or office bearers?
- Is the entity you are dealing with wholly or partly owned by government?
- Is the person you are dealing with a PEP or closely related to a PEP or has the person previously served in any capacity in government or been an office bearer?

Compensation Structure

- Do success fees, bonus fees or other contingency fees form part of the compensation to be paid under the proposed transaction?
- Are you required to effect payment by unusual means considering the type of transaction?
- Is a political or charitable contribution required as part of the compensation?

Other

- Are you required to undertake any obligations in order to enhance your chances of the contract being awarded to you?
- Have requests been directed to you to allow the other party discretionary authority to handle local matters alone?
- Has there been any resistance from the person or party you are dealing with to signing an undertaking to abide by this ABC policy?
- Does the other party have its own ABC policy or code of ethics in place?

Steps to include in your due diligence of a potential new business associate:

- Identification – obtain the potential associate's full name and registration details, as well as details of the owners/ shareholders/partners, directors and officers.
- Public Registers – conduct an inspection of any local registers containing details of the associate's registration documentation, ownership structure, shareholders, directors, officers and any other official information or documentation being held by government registrars or entities and which is freely available to the public or against the payment of a nominal fee.
- Financial References and Credit Ratings – call for the potential associate's financial statements (at least a balance sheet and income statement) for the previous three years; check the associate's credit rating by way of public listings or approach a credit bureau for this purpose.
- Criminal records – check whether the potential associate, any of its directors, owners, shareholders, partners or officers have been convicted of or been involved in any criminal acts involving fraud, dishonesty or bribery.
- Anti-Corruption policies – check if the potential associate has in place an ABC compliance policy or any code of ethics or conduct which prohibits acts of bribery and corruption.
- Media search – do a search of the potential associate's website, information available on it in the public, media and social media.
- Qualifications – request appropriate curricula vitae, references and contact references from the potential associate.

ANNEX B
REPORTING FRAMEWORK

CONFIDENTIAL

