

As you may be aware the Bribery Act 2010 came into force on the 1st July 2011.

This Act creates a new offence on organisations making them liable for their agents and employees who pay bribes for the advantage of the organisation.

These changes will not affect you if you are either; not at risk from accepting or paying bribes or, you have adequate procedures to prevent bribery. Please note that there is no requirement to engage lawyers or consultants to assess what risks you face, or what procedures you might adopt.

WHAT IS BRIBERY?

Bribery is defined in the act as giving someone a financial, or other, advantage to encourage them to perform their functions or activities improperly or, to reward that person for having already done so.

For example this includes giving decision makers an extra benefit to influence them beyond the scope of the tender process.

Bribery does NOT include Hospitality and Promotional Expenditure, as long as they are reasonable and proportionate.

Facilitation Payments

These are payments to induce an official to perform routine functions.

There are no changes on this point, as before, they are still bribes. These do not include legally required administrative fees or fast-track services.

ORGANISATION LIABILITY

Liability for Senior Employees

You, as an organisation, can become liable when a senior person in the organisation commits a bribery offence.

Liability for Agents

You may also be liable as an organisation if someone who performs services for you (employee, agent, consultant etc.) pays a bribe to specifically get or keep business (for your organisation)

or to give your business an advantage. This only relates to people acting on your behalf, this will generally not include your suppliers of goods.

Defence of Adequate Procedures

What are adequate depends upon the size and complexity of the business and the risk of bribery. A small business with minimal bribery risk will require fewer procedures than a larger company. Your organisations anti-bribery policy should start at the top and be communicated to all employees and agents. You should know who your agents are and be in a position to trust them not to give bribes. You may need to risk assess new agents and new markets you are moving into, especially if they are overseas. You should monitor and review you policies; risks do change, keep an eye on steps taken and if these have been effective. If you are entering a high bribery risk market you may need to enhance your procedures.

If you have any questions on this matter, or for further guidance, please do not hesitate to contact us: accountants@sopherco.com | 0208 207 0602

This newsletter is for general guidance only - action should not be taken without specific advice. Should you require further information, please contact us.

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