

## Introduction

**By François Vincke and Fritz Heimann**

This is the third edition of ICC's handbook on anti-corruption. Most of the authors are members of the Anti-Corruption Commission of the International Chamber of Commerce. This handbook is written by experts from the business community for members of the business community. Our aim is to give concrete, practical help to those on the frontline combating extortion and bribery. Our goal is to help achieve – at last – a corruption-free, level playing field so that executives will no longer offer a bribe because of their suspicion that their competitors will do so or because corrupt officials will be demanding it. Our hope is that, by following our recommendations, companies will be able to compete on the quality of their products and services.



The pace of change in anti-corruption has continued to accelerate. Thus, every chapter of this handbook has been substantially revised and updated, and a new chapter on the UN Convention Against Corruption has been added. The handbook has been divided into three parts. Part I describes the international legal framework within which corporate self-regulation must operate, including the development of the OECD and UN Conventions and of ICC Rules of Conduct, and the evolving prohibitions of direct and indirect corruption. Part II covers management initiatives, including the responsibilities of top officers; accounting, auditing and financial controls; dealing with whistleblowing; and compliance by SMEs. Part III deals with specialized problem areas, including money laundering, political contributions, private-to-private bribery, extortion, and compliance with Customs regulations. The concluding chapter, "Moving Anti-corruption to the Next Level", looks ahead at the priorities for the next five or more years.

Combating corruption requires strong top-management commitment, high-quality human resources and systematic organization to ensure that anti-corruption becomes part of the corporate culture at all levels. This handbook proposes straightforward answers to the question of how to best organize the prevention of extortion and bribery. We have addressed difficult matters, including how to deal with whistleblowing, facilitation payments and gifts and entertainment in different cultural environments.

While self-regulation is key to corporate ethics, it is also clear that combating corruption requires strong government and international action. The OECD Convention on Combating Bribery of Foreign Public Officials, adopted in 1997, signaled a turning point in anti-corruption. All signatory states have passed laws

prohibiting foreign bribery. The OECD actively monitors national enforcement, and the authors stress the need for continuing rigorous follow-up. ICC has developed a long-term advocacy relationship with the OECD and has urged that the scope of its anti-corruption instruments be broadened.

The United Nations Convention Against Corruption (UNCAC) of 2003 is an equally important milestone because of its worldwide participation and comprehensive scope. The principle of monitoring the national implementation of UNCAC's provisions has been agreed, but the necessary monitoring mechanism has not yet been established. This obviously troubles the business community, as the executives of ICC's member companies regularly report that companies from non-OECD countries still have not aligned their practices to the new anti-corruption norms. ICC will, therefore, continue to press for a strong, efficient and sustainable monitoring system for UNCAC, coordinated with the monitoring programs of other existing anti-corruption treaties, including those of the Organization of American States, the Council of Europe, the European Union and the African Union, all of which contribute to the fight against corruption.

This edition of the handbook is appearing in the midst of a massive financial crisis. It will take years to analyze its causes. However, it is already clear that there will be strong pressure for reforms, including greater transparency and accountability, as well as greater international cooperation. These are issues that the ICC has long supported. We are convinced that combating corruption is crucial to corporate integrity. Companies cannot engage in corruptive practices without disabling their management control systems, thereby undermining their integrity.

It should be recognized that the authors are writing as individual experts. Their views do not necessarily represent the position of ICC or of the other organizations with which they are affiliated.

We wish to express our appreciation for the numerous contributions to the preparation of this handbook made by Ron Katz, Rachelle Bijou and Viviane Schiavi of the ICC Secretariat in Paris.