

**Wolfsberg Group Publication Statement**  
**Guidance on Anti-Bribery and Corruption Compliance Programmes**

The Wolfsberg Group (the “Group”) is pleased to publish updated Guidance as to how Financial Institutions (“FIs”) should construct an effective Anti-Bribery and Corruption (“ABC”) Compliance Programme. The paper entitled “Anti-Bribery and Corruption Compliance Programme Guidance” (“the Guidance”) updates the 2011 Anti-Corruption Guidance paper and, as before, has been developed in collaboration with the Basel Institute on Governance and with input from Transparency International.

The document is designed to provide guidance to the broader financial services industry on how to develop, implement and maintain an effective ABC Compliance Programme. The overall objective of the Guidance is to promote a culture of ethical business practices and compliance with ABC legal and regulatory requirements. The Guidance takes into account various pronouncements and documents issued by, for example, the Ministry of Justice in the UK in relation to the UK Bribery Act and the Department of Justice (“DOJ”) and Securities Exchange Commission (“SEC”) in the US in relation to the US Foreign Corrupt Practices Act (“FCPA”). The Guidance should be read in conjunction with applicable regulation issued by authorities in the jurisdictions in which an FI is conducting business.

The recently published Wolfsberg Guidance on Politically Exposed Persons (“PEPs”) helps FIs to address the money laundering risk posed by PEPs and to maintain strong defences against customers potentially involved in bribery and corruption. This Guidance, however, focuses on how FIs can manage their own bribery and corruption risk in respect of the behaviour of their employees and third parties acting on their behalf. Bribery may occur in a commercial arrangement, or involve the misuse of public office or power for private gain in order to obtain, retain or direct business or to improperly secure any other advantage in the conduct of business.

The Guidance also addresses prosecutors’ increasingly expansive view on what constitutes a “thing of value” that could constitute bribery, and in some cases, more broadly defining who qualifies as a “Foreign Official” or “Public/Government Official,” with bribes to employees of state-owned entities increasingly serving as the subject of enforcement actions. It is therefore timely to refine further the previous Guidance and provide substantive revisions to the following areas:

- Definition of government/public officials
- Definition of intermediaries and associated controls
- Risk management of Principal Investments and Joint Ventures
- Offers of employment and work experience
- Reduction of focus on customer-related anti money laundering provisions

The Group recognises that there is no “one-size-fits all” approach to compliance with anti-corruption laws, but details the core focus areas in any effective ABC Compliance Programme in the Guidance: Governance, Firm-Wide Policies, Establishment of a Control Environment, Risk Assessment, Training and Awareness and Monitoring for compliance with Controls. The Appendix includes examples of red flags that FIs may wish to take into account when designing an ABC Compliance Programme. The updated Guidance also highlights the importance of taking a risk-based approach, reflecting, for

example, the greater risk posed when pursuing new business from a government or commercial entity rather than an individual customer and, generally, when interacting with Public Officials.

The Group believes that the financial services industry can play a significant role in the global fight against bribery and corruption in developing programmes to prevent such crimes from taking place. FIs can continue to enhance their ABC controls so that they focus less on box-ticking assurance work and more on embedding the understanding of bribery and corruption risk into the business, affirming front line ownership and assigning resource appropriately. ABC is an area where FIs can and should cooperate with the corporate sector in order to develop an effective control framework. It is important that the financial community plays its part in supporting the global efforts of the OECD and the UN in combating bribery and corruption around the world, in both the private and public sectors.

Additionally, the Group has always emphasised a multi-stakeholder approach to fighting financial crime and recognises the significant role that Governments can play in combating corruption. It is therefore critical that there is an effective partnership between the public and private sector that enhances both the prevention and detection of bribery and corruption.

We hope that you find this new Guidance of interest and the undersigned, as well as the Wolfsberg Secretariat, remain at your disposal for further information or questions.

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