

BRIEF UPDATE

FROM THE CORPORATE DIVISION



Bribery Act to come into force on 1st July 2011 Businesses should prepare now

The UK Bribery Act 2010 aims to strengthen and modernise the existing bribery laws in the UK. After much delay the Government has now published the guidance required under the Act. Publication of the guidance has started the countdown to the Act coming into force.

From 1st July 2011 the UK will have legislation to regulate bribery and corruption offences committed both at home and abroad. The extent and importance of the Act means that organisations should be aware of the impact of the legislation. The Act will affect multi-national organisations and SMEs. If unprepared, organisations could encounter difficulties and both individuals and organisations could face significant penalties including unlimited fines and imprisonment. Businesses have 3 months left to familiarise themselves with the Act and consider what steps, if any, need to be taken to ensure compliance.

The question is can organisations that operate business in the UK

now clearly understand what is expected of them to ensure compliance with the Act?

The guidance is largely clear, straightforward and in line with best practice. It does attempt to address the concerns that have been raised by the business community throughout the consultation process.

While certain areas still lack the necessary clarity the guidance goes some way to set out the safeguards organisations can put in place to prevent bribery. The guidance itself is crucial to the defence of the newly introduced corporate offence of failing to prevent bribery. The guidance offered is not exhaustive but sets out 6 general principles with an overall emphasis on proportionality. The six principles are:

- proportionate procedures
- top level commitment
- risk assessment
- due diligence
- communication and training
- monitoring and review

A “one size fits all system” is not expected. The guidance is not the comprehensive checklist some may have hoped for but it does give a starting point. The reality is many businesses are, or should be, taking practical steps to ensure they have the procedures in place to prevent bribery. Combating the risk of bribery can be done in a commonsense way by properly assessing the risks and then developing and implementing policies and procedures where required.

We have already assisted clients to ensure they can best meet the adequate procedure tests under the Act by assessing risks, reviewing existing anti-corruption procedures and providing guidance and drafting of provisions for inclusion in commercial and employment contracts.

We can also offer a bespoke training programme determined by individual client needs.

If you would like more information, please contact Jamie Stark (JGCStark@paul-williamsons.co.uk) on 01224 621621.