



# ANTI-BRIBERY AND CORRUPTION POLICIES AND PROCEDURES

Version 2022.1

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# CONTENTS

1.	INTRODUCTION .....	3
	1.1 Objective .....	3
	1.2 Applicability .....	3
	1.3 Consultation .....	3
	1.4 Disciplinary Action .....	3
	1.5 Translation of this policy document from English .....	4
	1.6 Preparation of Member Firm's own policies and procedures .....	4
	1.7 Member Firm policy requirements .....	5
	1.8 Changes to this document .....	5
2.	OVERVIEW OF BRIBERY AND CORRUPTION .....	6
	2.1 What is bribery and corruption? .....	6
	2.1 What constitutes a bribe? .....	6
	2.3 Public or Government officials .....	6
3.	PREVENTING BRIBERY .....	7
	3.1 Individual responsibility .....	7
	3.2 Member Firm responsibilities .....	7
4.	TYPICAL BRIBERY AND CORRUPTION RISKS .....	9
	4.1 Use of third-party representatives .....	9
	4.2 Gifts, entertainment and hospitality .....	9
	4.3 Charitable and Political Donations .....	10
5.	RAISING CONCERNS .....	11
	5.1 Objective .....	11
	5.2 Member Firm responsibility .....	11
	5.3 Partner and Employee responsibility .....	11
6.	DISCIPLINARY ACTIONS FOR POLICY VIOLATIONS .....	12
	6.1 Objective .....	12
	6.2 Disciplinary Actions for Individual Violations .....	12
	6.3 Disciplinary Actions for Member Firm Violations .....	12
	6.4 Action for Third Party Violations .....	12
7.	FURTHER GUIDANCE .....	13
	7.1 Potential risk scenarios: "red flags" .....	13
8	Definitions .....	14

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# 1. INTRODUCTION

## 1.1 Objective

The objective of this policy is to assist Member Firms in limiting their exposure to bribery and other forms of corruption by requiring them to:

- a) Comply with applicable anti-bribery legislation;
- b) Develop and implement a clear anti-bribery and corruption policy;
- c) Provide guidance/training to all Partners and Employees so they can recognise and avoid the use of bribery and corruption by themselves and others;
- d) Encourage their Partners and Employees to be vigilant and to report any suspicion of bribery or corruption, providing them with suitable channels of communication;
- e) Investigate instances of alleged bribery or corruption; and
- f) Take appropriate action against any individual(s) involved in bribery or corruption.

## 1.2 Applicability

The Board and the RSM network as a whole have a zero tolerance approach to bribery and other forms of corruption. This extends to all business dealings and transactions in all countries in which either RSM International or any Member Firms, as well to their related entities, subsidiaries, third party representatives, joint ventures and agents, operate.

This policy applies to all Member Firms, their Partners and all Employees. It also applies to Member Firms related entities, subsidiaries, third party representatives, joint ventures and agents, as well as all business dealings and transactions in all countries in which Member Firms or their subsidiaries or associates operate.

This document contains RSM's minimum policies. The policies should be adapted, as necessary, to the specific requirements of each Member Firm. The policies should also be modified to reflect any additional local regulatory requirements, which establish higher standards than those reflected in these policies.

## 1.3 Consultation

Any Partner or Employee who has a question regarding this policy should consult promptly with their Member Firm's Anti-Bribery Officer.

## 1.4 Disciplinary Action

Any breach of this policy shall be regarded as a very serious matter.

Disciplinary action under the guidelines set forth in Section 6.2 shall be taken by Member Firms against any Partners or Employees who violate their firm's policies or fail to respond to reasonable requests for information.

Disciplinary action under the guidelines set forth in Section 6.3 shall be taken against any Member Firm which violates these policies or fails to fully cooperate to resolve violations by its Partners or Employees.

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## 1.5 Translation of this policy document from English

This policy document has been prepared by RSM. The approved text of this policy document is published in the English language.

Member Firms translating this policy document from English into another language are required to ensure that the translations of these policies are accurate and complete. Member Firms are responsible for the translation plan, process, procedures and quality of the translation and no liability will be accepted by RSM.

Member Firms are required to appoint a principal translator. Principal translator means the translator with the final responsibility for the translation of this policy document.

The process for ensuring the accurate and complete translation may include the use of a professional translator and/or a review amongst peers (other Member Firms). The translation process should be designed and implemented to enable a faithful translation, with no omission or addition (other than translation footnotes).

The process for ensuring the accurate and complete translation should ensure that the intent of the original drafters of this policy document is understood so that misunderstandings do not arise because of a literal translation of the English text.

The complete text of all this policy document should be translated.

The translated policy document cannot have an effective date later than the effective date of the English pronouncement.

The English language version of this policy is definitive.

## 1.6 Preparation of Member Firm's own policies and procedures

Member Firms shall write their anti-bribery and corruption policies and procedures in the predominant business language of the country in which they operate, so that it is accessible to all Partners and Employees. Regard must also be had by Member Firms to any local legal requirements regarding particular languages to be used in order to ensure effective and proper implementation of their policy.

Where a Member Firm operates in more than one country and these countries use different languages, the Member Firm must consider whether it needs to maintain its policies and procedures in different languages for the different countries.

Member Firms are encouraged to use the following statement on their external website:

*The RSM network is one of the largest networks of independent accounting and consulting firms worldwide and we pride ourselves on our reputation for acting fairly and ethically wherever we do business. Our reputation is built on our values as a network of firms, the values of our employees and our collective commitment to acting with integrity throughout our network.*

*RSM condemns corruption in all its forms and we will not tolerate it in the businesses of our member firms or in those we do business with.*

*Our own internal codes of conduct set out in detail how we as an organisation should behave. In dealing with any of our business partners and clients, we expect you to have in place your own procedures to address the risk of bribery and corruption and that your organisation (as well as those working for it) will be at all times compliant with relevant anti-bribery legislation.*

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## 1.7 Member Firm policy requirements

Every Member Firm shall have a clear anti-bribery and corruption policy that prohibits the following:

- The offering, the giving, the solicitation or the acceptance of any bribe, whether cash or other inducement
  - *to or from* any person or company, wherever they are situated and whether they are a public official or private person or company
  - *by* any individual Partner or Employee, agent or other person or body acting on the Member Firm's behalf
  - *in order to* gain any commercial, contractual or regulatory advantage for the Member Firm in a way that is unethical or unlawful
  - *or in order to* entice an individual to perform his/her duties in an improper or unethical way
  - *or in order to* gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

Member Firms shall communicate their policies and procedures to all their business lines and to all Partners and Employees, as well as to relevant third-party representatives and other necessary individuals and entities.

## 1.8 Changes to this document

**Version 2022.1** was released on 4 April 2022 and is effective from 1 May 2022.

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## 2. OVERVIEW OF BRIBERY AND CORRUPTION

### 2.1 What is bribery and corruption?

**Bribery** is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Illegality should be judged on the basis of the laws and regulations that apply in the country or countries in which a Member Firm operates, as well as the laws or regulations of any other country that a Member Firm may become subject to as a result of working with another Member Firm on referred or shared work.

**Corruption** is the misuse of public office or power for private gain, or the misuse of private power in relation to business outside the realm of government.

Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. For the purposes of this policy, whether the payee or recipient of the act of bribery or corruption works in the public or private sector is not relevant as it is prohibited in either case.

The individual being bribed is generally an individual who will be able to obtain, retain or direct business. This may involve sales initiatives, such as tendering and contracting; or, it may simply involve the handling of administrative tasks. It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of administrative tasks.

### 2.1 What constitutes a bribe?

Bribes can take on many different shapes and forms, but typically they involve corrupt intent. There will usually be a 'quid pro quo' – both parties will or are expected to benefit. A bribe could be:

- a) the direct or indirect promise, offering, or authorisation, or anything of value;
- b) the offer or receipt of (or agreement to receive) any kickback, loan, fee, reward or other advantage; or
- c) the giving of aid, donations or voting designed to exert improper influence.

There need not be an immediate benefit: an expectation of a later benefit can be a bribe. Furthermore, a benefit provided to a third party can be a bribe.

Bribes are therefore not limited to cash payments. Job offers, gifts and entertainment (see Section 4.2), excessive business promotional activities, covering or reimbursing expenses, in-kind or political contributions, investment opportunities, subcontracts, stock options and similar items provided to third parties are all things of value that can be bribes. See Section 7 for a non-exhaustive list of “red flags” which would raise concerns.

### 2.3 Public or Government officials

Acts of bribery and corruption may, but will not always, involve public or government officials. For the purposes of this policy, a government official could be:

- a) a public official, whether foreign or domestic;
- b) a political candidate or party official;
- c) a representative of a government-owned/majority-controlled organisation; or
- d) an employee of a public international organisation

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## 3. PREVENTING BRIBERY

### 3.1 Individual responsibility

The prevention, detection and reporting of bribery and corruption is the responsibility of all individuals throughout the Network.

### 3.2 Member Firm responsibilities

Member Firms must implement policies and procedures to assist in the prevention of bribery and corruption.

#### 3.2.1 Appointing an Anti-Bribery Officer

Each Member Firm must appoint a Partner or senior member of the management team as its Anti-Bribery Officer who shall have overall responsibility for the design, implementation and monitoring of its anti-bribery and corruption policies and procedures.

The Anti-Bribery Officer shall work together with other Partners and senior Employees to:

- a) design the firm's anti-bribery and corruption policy to meet the requirements of the RSM policy as well as any additional local regulations
- b) implement the policy throughout all the firm's business lines as well as monitoring compliance at any Member Firms' related entities, subsidiaries, third party representatives, joint ventures, and agents.
- c) design and deliver appropriate training on the policy to all Partners and Employees
- d) develop and maintain appropriate procedures and channels of communication to enable Partners and Employees to report any suspicions
- e) monitor the effectiveness of the firm's policies and procedures in accordance with the RSM Member Firm Inspection Policies.

#### 3.2.2 Risk assessment

Effective risk assessment lies at the very core of the success of this policy. Risk identification pinpoints the specific areas in which bribery and corruption risks are faced and allows better evaluation and mitigation of these risks and thereby protect Member Firms. Business practices around the world can be deeply rooted in the attitudes, cultures and economic prosperity of a particular region – any of which can vary, so the bribery and corruption risks facing each Member Firm will differ.

Member Firms shall have a formal policy and process for assessing the vulnerability of each of their business lines to bribery and corruption on an ongoing basis. This assessment should also cover any Member Firms' related entities, subsidiaries, third party representatives, joint ventures, and agents.

This risk assessment process shall be used to develop effective systems and procedures to mitigate risk.

#### 3.2.3 Accurate books and record-keeping

Many serious bribery and corruption offences have been found to involve some degree of inaccurate record-keeping.

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Member Firms must ensure that they maintain accurate books and records that reflect each of the underlying transactions.

### **3.2.4 Effective monitoring and internal control**

Member Firms must maintain an effective system of internal control and monitoring of their transactions. For the bribery and corruption risks identified and highlighted via the risk assessment process described in Section 3.2.2 above, procedures shall be developed within a comprehensive control and monitoring programme in order to mitigate these risks on an ongoing basis.

The Anti-Bribery Officer at each Member Firm is responsible for leading this programme and for overseeing its effectiveness.

### **3.2.5 Member Firm Inspection**

Each Member Firm shall confirm in writing as part of the submission of its annual Firm Inspection Report to the Global Executive Office, in accordance with the RSM Member Firm Inspection Policies, that it has adopted the minimum policies and procedures set forth in this document.



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## 4. TYPICAL BRIBERY AND CORRUPTION RISKS

Bribery and corruption risks often fall within the following categories:

### 4.1 Use of third-party representatives

Whilst the use of third-parties can help Member Firms reach their business goals, Member Firms need to be aware that these arrangements can potentially present both the Member Firm and Network with significant risks if they appear to act on behalf of the Member Firm or Network. The definition of a third-party is broad, and could include agents, distributors, consultants and joint venture partners.

Member Firms must evaluate all new and existing third-party relationships to determine whether their actions could be seen as benefiting either the Member Firm or the Network. Where this is the case, these third-parties must be required to fully comply with the Member Firm's anti-bribery and corruption policies. In particular, for each such third-party representative, the Member Firm must:

- a) evaluate the background, experience, and reputation of the third-party;
- b) understand the services to be provided, and methods of compensation and payment;
- c) evaluate the business rationale for engaging the third-party;
- d) take reasonable steps to monitor the transactions of third-parties appropriately; and
- e) ensure there is a written agreement in place which acknowledges the third-party understands and is in compliance with the Member Firm's policy.

Individual Member Firms are ultimately responsible for ensuring that third-parties who pose significant risks are compliant with their policies as well as any local laws. To assist Member Firms, sample wording guidance for use in third party contracts has been made available by RSM.

### 4.2 Gifts, entertainment and hospitality

The purpose of genuine business hospitality and gifts is to improve the image of a Member Firm, better present our products and services, and establish cordial working relationships. The Network supports such business expenditure, but recognises that certain types or levels of hospitality and gifts could be perceived as a bribe.

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business.

Member Firms must establish policies and procedures relating to offering, giving and receiving of hospitality and gifts in order to minimise the risk that any bribery or perception thereof takes place. These policies and procedures should:

- a) Relate to the offering, giving and receiving of hospitality and gifts;
- b) Require the pre-approval of certain types and levels of gifts and hospitality by a Partner or an Employee
- c) Require that an accurate record be made by Partners and Employees of the receipt and giving of all gifts and hospitality over an appropriate pre-determined value;
- d) Prohibit Partners and Employees from giving or receiving any form of gifts and hospitality relating to a specific contract while the Member Firm is tendering for that contract; and

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- e) Require a periodic review to be conducted by a member of senior management of all such expenditure and receipts to ensure that there was no real or perceived risk of bribery and corruption.

In general, Member Firms should only allow Partners and Employees to accept gifts of low value (on an individual and aggregate basis) and which are mere tokens (such as promotional pens, calendars and stationery).

Partners and Employees shall not be permitted to accept, give or offer gifts or hospitality of the following nature:

- a) a 'quid pro quo' (offered for something in return);
- b) gifts in the form of cash/or cash equivalent vouchers, irrespective of their value; or
- c) entertainment of a sexual or similarly inappropriate nature.

Member Firms should advise their Partners and Employees that, notwithstanding anything contained within their policies, where there is any doubt over the permissibility or propriety of offering, giving or accepting a gift or offer of hospitality, they should decline the offer (where relevant) or contact the Anti-Bribery Officer at their firm for further guidance.

RSM recognises that there may be exceptional instances when refusing a gift will cause significant offence or embarrassment. In such instances Member Firms may wish to have a policy that allows them to accept the gift and subsequently donate it to a charity of their choosing. Nonetheless, the individuals concerned should contact the Anti-Bribery Officer to gain permission before accepting the gift.

For the purposes of this policy and for the sake of clarity, the Network does not consider the following to be corporate hospitality and Member Firms do not have to have a policy that requires pre-approval in relation to offering, giving or accepting any of the following, unless required by additional local regulatory or other requirements:

- a) normal working meals or refreshments provided during a business visit;
- b) hospitality extended to Employees attending a Member Firm approved seminar, conference or other external event sponsored by a client, provided that such hospitality is extended to all who are in attendance; and/or
- c) free seminars, talks or workshops, provided that they are free to all in attendance and are not provided solely for Partners or Employees of the Member Firm.

### **4.3 Charitable and Political Donations**

Contributions to charitable organisations or political parties must never be made in an attempt to influence any specific business decision or gain a business advantage in relation to a specific decision. Member Firms must only make donations that are legal and ethical under local laws and practices.

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## 5. RAISING CONCERNS

### 5.1 Objective

The Network is committed to ensuring that all Partners and Employees have a safe, reliable and confidential way of reporting any suspicious activity. Each and every person should know how they can “speak up”.

### 5.2 Member Firm responsibility

Member Firms must:

- a) develop and implement appropriate channels of communication that enable their Partners and Employees to report any suspicious behaviour;
- b) provide training to all their Partners and Employees on these communications channels; and
- c) fully investigate any suspicions that are raised and take appropriate action to deal with any instances of bribery or corruption that are found to have occurred.

### 5.3 Partner and Employee responsibility

Partners and Employees who work for Member Firms have a responsibility to help prevent and report instances not only of bribery, but also of any other suspicious activity or wrongdoing.

All Partners and Employees must report to their firm’s Anti-Bribery Officer as soon as possible if they are offered a bribe by a third party, are asked to make one, or suspect that this may happen in future.

If a Partner or Employee is concerned that a corrupt act of any kind is being considered or carried out (either within their Member Firm or the wider Network; or by any of our third-party representatives), they must report the issue/concern to their firm’s Anti-Bribery Officer.

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## 6. DISCIPLINARY ACTIONS FOR POLICY VIOLATIONS

### 6.1 Objective

In line with the Network's zero tolerance approach to bribery and corruption, any breach of this policy by a Member Firm or an individual Partner or Employee shall be regarded as a very serious matter. Appropriate disciplinary action shall be taken in all instances.

### 6.2 Disciplinary Actions for Individual Violations

Member Firms shall establish formal disciplinary policies and procedures for dealing with breaches of their anti-bribery and corruption policies by their Partners, Employees, related entities, subsidiaries, third party representatives, joint ventures and agents.

These policies must include:

- a) Who within the Member Firm will be responsible for taking the final decision on disciplinary actions; and
- b) What factors will be taken into consideration when determining the level of disciplinary action

For serious breaches of the policies, the disciplinary action should not exclude dismissal and possible legal action against the individuals involved.

### 6.3 Disciplinary Actions for Member Firm Violations

Member Firms that do not establish adequate policies and procedures in compliance with RSM Anti-Bribery and Corruption policies, or that do not adequately discipline their Partners, Employees or agents who violate these policies, shall be subject to disciplinary action.

Disciplinary actions shall be determined by the Board and may consist of any, or any combination of, the following actions:

- a) Letter of Reprimand or Letter of Required Corrective Action;
- b) Anti-Bribery and Corruption counselling and/or training for all Partners and Employees of the Member Firm at Member Firm expense;
- c) Additional reviews and increased monitoring at Member Firm expense; or
- d) Termination of membership in RSM, subject to the provisions of article 12 of the RSM Articles of Association .

### 6.4 Action for Third Party Violations

In conjunction with the procedures outlined in Section 4.1, Member Firms shall be expected to take appropriate action in relation to actual or perceived incidents of bribery or corruption in dealings with third parties. This may include:

- a) investigating any suspicions regarding bribery including making due enquiries of the third party and others; and
- b) taking appropriate action, based on the investigation's findings, which may include notifying the relevant authorities and/or terminating the relationship.

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## 7. FURTHER GUIDANCE

### 7.1 Potential risk scenarios: "red flags"

The following is a list of possible "red flags" that may raise concerns with regard to bribery and corruption. The list is not intended to be exhaustive and is for illustrative purposes only.

If a Partner or Employee encounters any of these "red flags," they shall promptly report them to their firm's Anti-Bribery Officer to discuss what further actions may be required:

- a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- h) a third party requests that a payment is made to "overlook" potential legal violations or expedite goods through customs;
- i) a third party requests that you provide employment or some other advantage to a friend or relative;
- j) you receive an invoice from a third party that appears to be non-standard or customised;
- k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- l) you notice that an invoice for a commission or fee payment appears large given the service stated to have been provided;
- m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used or known; or
- n) you are offered an unusually generous gift or offered lavish hospitality by a third party.

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## 8 DEFINITIONS

**Anti-Bribery Officer** - A Partner or senior member of the management team, designated by the Member Firm as responsible for overseeing the appropriate functioning of the Member Firm's Anti-Bribery and Corruption Policy.

**Board** - The Board of RSM International Limited.

**Chief Executive Officer** – The Chief Executive Officer of RSM International Limited

**Director or Officer** – Those charged with the governance of an entity, or acting in an equivalent capacity, regardless of their title, which might vary from jurisdiction to jurisdiction.

**Employee** – Any person employed by a Member Firm or Related Entity in any capacity including a Professional Employee.

**Letter of Reprimand** - A letter issued to a violator setting forth:

- a) The violation and the action taken or to be taken to eliminate the violation; and
- b) Demanding future compliance and advising the violator that the violation will be considered in determining the disciplinary action applicable to future violations.

**Letter of Required Corrective Action** - A letter issued to a violator setting forth:

- a) The violation and the action taken or to be taken to eliminate the violation;
- b) Counselling, training, probationary and monitoring requirements and any resulting sanctions; and
- c) Demanding future compliance and advising that the violation will be considered in determining the disciplinary action applicable to future violations.

**Managing Partner** - The chief executive of a Member Firm as appointed from time to time by the Member Firm's governing body.

**Member Firm or Firm** – A Firm that has been admitted as a member of RSM.

**Network** – The RSM International network of Member Firms.

**Partner** – An individual who has the authority to bind the firm with respect to the performance of a professional engagement.

**Professional Employee** – All non-Partner Employees of a Member Firm who provide Professional Services to Clients.

**Related Entity** – Any partnership, limited partnership, limited liability partnership, company or other incorporated entity (an entity) that provides professional services of providing auditing and/or accountancy, tax, business and financial advisory, consultancy services, legal services and any other professional services and any software, processes or products linked to such services and that is:

- A parent undertaking, a subsidiary undertaking, or an associated body corporate of, or is under common ownership of the Member Firm, or
- An entity in which the owners of the Member Firm, the Member Firm itself or another Related Entity:
  - Exercises significant influence in the control or management of such entity;

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- Has an ability to control the board or partnership of that entity; or
  - Directly or indirectly, have any ownership interest (save for the holding for investment purposes of not more than 5 per cent. of the issued share capital of any company).

**RSM** – RSM International, a company registered in England & Wales.

**END OF DOCUMENT**

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