



**Asia-Pacific
Economic Cooperation**

**Implementing the Asia-Pacific Economic Cooperation
Anti-Corruption Code of Conduct for Business**

FINAL PROJECT REPORT

Anti-Corruption and Transparency Working Group

December 2012



**Implementing the Asia-Pacific Economic Cooperation (APEC)
Anti-Corruption Code of Conduct for Business**

FINAL PROJECT REPORT

APEC Project: ACT 02 2011A

Produced by

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ACRONYMS AND ABBREVIATIONS

ACT	Anti-Corruption and Transparency Experts' Task Force
ACTWG	Anti-Corruption and Transparency Working Group
ADB	Asian Development Bank
APEC	Asia Pacific Economic Cooperation
APEC Code	APEC Anti-Corruption Code of Conduct for Business
CEO	Chief Executive Officer
CIP	Corporate Integrity Pledge
DAP	Development Academy of the Philippines
IBLF	International Business Leaders Forum
IFC	International Finance Corporation
MACC	Malaysian Anti-Corruption Commission
OMB	Office of the Ombudsman of the Philippines
PFG	Partnership for Growth
SMEs	Small and Medium Enterprises
SoEs	State-owned Enterprises
UNDP	United Nations Development Programme
UNIDO	UN Industrial Development Organization
UNODC	UN Office on Drugs and Crime
USAID	United States Agency for International Development
VCCI	Vietnam Chamber of Commerce and Industry

EXECUTIVE SUMMARY

This project report documents the processes, results, lessons, and recommendations that emerged from the ACT 02 2011A project's two main components: the **Baseline Study** and the **Forum on the Implementation of the Asia-Pacific Economic Cooperation (APEC) Anti-Corruption Code of Conduct for Business**.

The Baseline Study conducted by the Office of the Ombudsman, with the assistance of the Development Academy of the Philippines (DAP), assessed the extent that governments, business associations, and private enterprises of APEC member economies have put in place policies, programs, and practices aligned with the provisions of the APEC Anti-Corruption Code of Conduct for Business (APEC Code). The study was carried out through an online survey, content-analysis of publicly available documents from websites of randomly-selected companies, and review of secondary information.

The results of the study show that several provisions of the APEC Code are in place in the 17 member economies reviewed. The code provisions that were found to be in place in more than half of the economies covered are *Prohibition of Bribery*, *Program to Counter Bribery*, *Raising Concerns and Seeking Guidance*, *Gifts, Hospitality and Expenses*, and *Leadership*. However, the level of implementation of each code provision varies per economy. Moreover, majority of the anti-corruption laws and policies only pertain to private individuals or enterprises bribing public officials. Most anti-corruption initiatives remain unfocused on private sector corruption that also takes place between and among businesses and private individuals. Nevertheless, the study also found that private enterprises implement policies, programs, and practices aligned with the APEC Code. Most of these policies and programs are in compliance with the rules and regulations of business associations or chambers of commerce that they belong to.

These results were presented in the *Forum on the Implementation of the APEC Anti-Corruption Code of Conduct for Business* held on 20-21 September 2012 in Manila, Philippines. The Forum showcased presentations from expert anti-corruption speakers, a workshop session, and an exhibit of anti-corruption initiatives from various development agencies. It was attended by 46 delegates from both the government and business sectors of 14 APEC member economies.

The Forum served as an avenue to deepen the understanding of the participants on the current state of corruption in Asia-Pacific. It sought to raise the participants' level of awareness on existing anti-corruption approaches in the region. Participants were also given the opportunity to share in workshop groups their economy's best practices as well as

facilitating factors and difficulties encountered in implementing policies and programs aligned with the APEC Code. All these became inputs for the development of an operational program that aims to further improve the implementation and deploy the APEC Code at the national, business association, and enterprise levels.

Drawing from the results of the Baseline Study and the Forum, the project recommends that business associations be engaged in promoting the APEC Code, considering their leverage in influencing their member companies to join the global campaign against corruption. Enterprises, on the other hand, are encouraged to post their anti-corruption policies and programs, especially codes of conduct, on their websites to heighten public awareness on such initiatives. Also, consumer groups may be involved to serve as watchdogs against unethical conduct or practices of private companies. Lastly, it is highly recommended that member economies continuously monitor their respective policies and practices, which are consistent with the provisions of the APEC Code in order to come up with more meaningful and comprehensive programs that promote its implementation.

The challenge now for the APEC member economies is to re-echo the broad strokes outlined in the Operational Program and to think of specific time-bound activities to achieve the goal of restraining corruption in the privates sector in the Asia-Pacific region.

PROJECT BRIEF

I. RATIONALE

At a summit held in Santiago, Chile in 2004, Asia-Pacific Economic Cooperation (APEC) Leaders acknowledged the threat that corruption poses to good governance and economic growth in the region. They agreed that APEC economies¹ should nurture and sustain good governance, economic development and prosperity by working together to fight corruption and ensure transparency both in the public and private realms of societies.²

In its *Global Corruption Report 2009: Corruption and the Private Sector*, Transparency International (TI) has pointed out that many actors in the business sector are entrusted with powers, which when abused for private gain, immeasurably cause damage to other stakeholders and to the society at large. Businesses continue to play the role as one of the suppliers of corrupt payments to government officials and institutions. This does not only undermine fair competition among companies but also compromises corporate and government integrity as well as demotivates the brightest and most innovative employees in both sectors. Corruption also fosters a culture of impunity, fuels the breakdown of institutions, erodes public trust, and results in the deterioration of the moral fiber of society.³

In 2005, the Anti-Corruption and Transparency Experts' Task Force (ACT) developed the Anti-Corruption Code of Conduct for Business (APEC Code) which mandates the prohibition of all forms of bribery and provides a general framework for an anti-bribery program at the enterprise level. It was introduced to APEC member economies through the pathfinder project of Australia, Viet Nam and Chile in 2009.⁴

Building on the said project, the Office of the Ombudsman of the Philippines (OMB), pursuant to an approved project proposal (ACT 02 2011A), undertook the conduct of a baseline study to determine the extent of implementation of the APEC Code by member economies through existing business policies, programs, and practices that are in line with its provisions. The results of the study were presented in a forum as an input to the development of an operational program to implement and cascade the APEC Code at the national, business association/chamber of commerce, and enterprise levels of all APEC economies.

Thus, the OMB, with the assistance of the Development Academy of the Philippines (DAP), conducted a baseline study and organized the *Forum on the Implementation of the APEC Anti-Corruption Code of Conduct for Business* held on 20-21 September 2012 in Manila, Philippines.

II. PROJECT OVERVIEW

Established in 1989 with the Philippines as a founding economy, the APEC aims to create greater prosperity for the people of the region by facilitating balanced, inclusive, and sustainable economic growth and by intensifying regional economic integration.

The project on *Implementing the APEC Anti-Corruption Code of Conduct for Business* highlights the importance of eradicating corruption in the small and medium enterprises (SMEs), which account for around 90 percent of the estimated 75 million companies across the globe.⁵ The project's focus acknowledges the need for effective and transparent governance in the sector. Given the labor absorption, job creation, and innovative capacities of SMEs, no one can discount their importance in the long-term growth and socio-economic stability of APEC member economies.⁶ The eradication of corruption in the sector will greatly contribute to the region's campaign for transparency, a vital aspect to attaining good governance and economic prosperity in Asia-Pacific.⁷

The project has two main components:

A. *Baseline Study on the Implementation of the APEC Anti-Corruption Code of Conduct for Business*

The study sought to assess the extent that governments, business associations, and private enterprises of member economies have put in place policies, programs, and practices aligned with the provisions of the APEC Code.

Specifically, this study aimed to establish baseline information to identify:

- What part or provisions of the APEC Anti-Corruption Code of Conduct for Business are being implemented by private enterprises; and
- What policies, programs, and practices are being done by government agencies, business associations, and enterprises in APEC member economies in relation to the provisions of the APEC Code.

Research Design and Methodology. The study was exploratory and descriptive in nature. It made use of several data-gathering methods to capture both quantitative and qualitative measures of compliance to the APEC Code.

Online Survey. The study employed an online survey among APEC stakeholders using the baseline tool. The target respondents of the survey were representatives of chambers of commerce, business associations, and management decision makers of private companies from APEC member economies.

Website Review. To supplement the data gathered from the online survey, the study analyzed public documents posted on company websites of 58 randomly selected SMEs belonging to the Forbes Top 200 SMEs in Asia-Pacific and the Forbes Top 100 Small American Companies (see Annex B).

Review of Secondary Information. Additional information were gathered from the Business Anti-Corruption Portal managed by the Global Advice Network in Denmark. The portal contained specific information on anti-corruption legislations, public and private sector initiatives, and studies conducted on corruption cases in various countries worldwide, including 11 APEC member economies (see Table 1).

Table 1. Summary of Information Per Economy Using Each Methodology

Member Economy	Number of Respondent to Baseline Tool	Availability of Economy Profile in the Business Anti-Corruption Portal	Number of SMEs with Websites Reviewed
1. Australia			6
2. People's Republic of China	1	✓	
3. Hong Kong, China			6
4. Indonesia		✓	6
5. Japan	1		1
6. Republic of Korea		✓	4
7. Malaysia	1	✓	6
8. Mexico		✓	
9. New Zealand			1
10. Peru		✓	
11. The Philippines	3	✓	3
12. Russia		✓	
13. Singapore			4
14. Chinese Taipei	1	✓	6
15. Thailand	1	✓	4
16. The United States			6
17. Viet Nam	1	✓	5
TOTAL REVEIWED	9	11	58

Note: Brunei Darussalam, Canada, Chile and Papua New Guinea are not included.

Scope and Limitations of the Study. The data gathered in the study are limited to only 17 out of the 21 APEC member economies (see Table 1). The study employed various methodologies, which in turn, have their own limitations.

Due to the limited accessibility of online surveys, the data gathered using the baseline tool may not be taken to represent the SME sector in each and all of the APEC economies. The website review, on the other hand, was conducted from August to September 2012 and was limited to reviewing documents or information posted on the websites of the selected SMEs. While the documents or information reviewed may be considered official, owing to their

publication on the company websites, there is no assurance that these reflect actual practice.

Thus, the results of this study could neither be taken as the overall situation for all APEC economies in general nor for each economy in particular. It can only be read as indications of the adoption of the APEC Code provisions in the 17 economies based on the baseline tool responses and the documents review.

B. Forum on the Implementation of the APEC Anti-Corruption Code of Conduct for Business

The *Forum on the Implementation of the APEC Anti-Corruption Code of Conduct for Business* sought to raise the participants' level of awareness on the existing anti-corruption approaches in Asia-Pacific and give them the opportunity to share their economy's best practices as well as facilitating factors and difficulties encountered in implementing policies and programs aligned with the APEC Code. The Forum provided an avenue to deepen the participants' understanding on the anti-corruption campaign in the region and gather their inputs for the development of an operational program that aims to improve the implementation of the APEC Code at the national, business association, and enterprise levels of member economies.

Date and Venue. The forum was held on 20-21 September 2012 at the Dusit Thani Manila Hotel, Makati City, Philippines.

Participants. The forum was attended by 46 delegates from both the government and business sectors of APEC economies. Ten delegates represented the business sector of the Philippines, while 27 came from other participating APEC economies: Australia, Brunei, Chile, People's Republic of China, Indonesia, Malaysia, Papua New Guinea, Russia, Singapore, Chinese Taipei, Thailand, the United States, and Viet Nam. Majority of the delegates were representatives of government agencies.

Representatives from international development agencies, including Transparency International (TI), United Nations Office of Drugs and Crimes (UNODC), United Nations Development Programme (UNDP), Asian Development Bank (ADB), International Finance Corporation (IFC), and the United States Agency for International Development (USAID) also attended the event. Guests from the embassies of the People's Republic of China, Indonesia, Malaysia, and Viet Nam also graced the event.

Forum Design. The Forum was divided into three main sessions. Session I aimed to deepen the understanding of the participants on the current state of corruption in Asia-Pacific. It also exposed the participants to existing anti-corruption approaches in the region.

Session II focused on the APEC Code and its implementation. The results of the Baseline Study were presented in Session III, which also included breakout workshops for the sharing of best practices and identification of facilitating and hindering factors encountered in implementing policies and programs aligned with the APEC Code. The workshops also became the venue for the development of an operational program, which outlines strategies that may be implemented by governments, business associations, and enterprises.

III. PROJECT OBJECTIVES

The overall goal of the project is to cultivate a culture of transparency, accountability, institutional integrity, and good governance among SMEs, industry groups and regulatory bodies of APEC member economies.

DAP's specific objectives in undertaking the project are as follows:

- To determine the extent that governments, business associations, and private enterprises of member economies have put in place policies, programs, and practices aligned with the provisions of the APEC Code;
- To facilitate the sharing of knowledge, prospects, and experiences of APEC economies in implementing the policies, programs, and strategies that are compliant with the APEC Code; and
- To assist in the formulation of an operational program for the expanded implementation of the APEC Code at the national, business association, and enterprise levels.

IV. FRAMEWORK

The APEC Code serves as the framework of the project. It mandates the prohibition of all forms of bribery and provided guidelines to enterprises for the development and implementation of anti-bribery programs.

Box 1. The APEC Anti-Corruption Code of Conduct for Business⁸

1. Prohibition of Bribery

The enterprise shall prohibit bribery in any form. Bribery is offering, promising or giving, as well as demanding or accepting any pecuniary or other advantage, whether directly or indirectly, in order to obtain, retain or direct business to a particular enterprise or to secure any other improper advantage in the conduct of business.

Instances of bribery which are the subject of these principles may involve transactions by, or in relation to, subsidiaries, joint ventures, agents, representatives, consultants, brokers, contractors, suppliers or employees with (including but not limited to) a public official, family members and close associates of a public official, a political candidate, party or party official, any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), or a third party.

2. Program to Counter Bribery

The enterprise, in consultation with employees, should develop a program, reflecting its size, business sector, potential risks and locations of operation that clearly and in reasonable detail articulates values, policies and procedures to be used to prevent bribery from occurring in all activities under its effective control.

The Program should be consistent with all laws relevant to countering bribery in all the jurisdictions in which the enterprise operates. It should apply to all controlled subsidiaries, foreign and domestic.

3. Scope and Guidelines

A. Charitable Contributions

The enterprise should ensure that charitable contributions and sponsorships are not used as a subterfuge for bribery, and all charitable contributions and sponsorships should be transparent and made in accordance with applicable domestic law.

B. Gifts, Hospitality and Expenses

The enterprise should prohibit the offer or receipt of gifts, hospitality or expenses whenever such arrangements would be in violation of applicable domestic law.

C. Facilitation Payments

Recognizing that facilitation payments are prohibited under the anti-bribery laws of most countries, enterprises should eliminate them. Facilitation payments, also called "facilitating," "speed" or "grease" payments are small payments made to secure or expedite the performance of a routine action to which the enterprise is entitled.

D. Political Contributions

The enterprise, its employees or intermediaries, should not make direct or indirect contributions to political parties, party officials, candidates, organizations or individuals engaged in politics, as a subterfuge for bribery.

All political contributions should be transparent and made only in accordance with applicable law.

The Program should include controls and procedures to ensure that improper political contributions are not made.

4. Program Implementation Requirements

A. Business Relationships

The enterprise should prohibit bribery in all business transactions that are carried out directly or through third parties, specifically including subsidiaries, joint ventures, agents, representatives, consultants, brokers, contractors, suppliers or any other intermediary under its effective control.

B. Communication

The enterprise should establish effective internal and external communication of the Program. The enterprise should publicly disclose its Program for countering bribery. The enterprise should be open to receiving communications from relevant interested parties with respect to the Program.

C. Leadership

The Board (or equivalent) and the CEO should play a role in the launching of the Program and demonstrate ownership and commitment to the Code and Program.

D. Financial Recording and Auditing

The enterprise should develop and maintain appropriate financial reporting mechanisms that are accurate and transparent as well as internal mechanisms for monitoring and controlling of the financial reporting system in accordance with internationally recognized accounting standards.

E. Human Resources

Recruitment, promotion, training, performance evaluation, and recognition should reflect the enterprise's commitment to the Program. The human resource policies and practices relevant to the Program should be developed and undertaken in consultation with employees, and employee representative bodies, as appropriate.

The enterprise should make clear that compliance with the Program is mandatory and that no employee will suffer demotion, penalty or other adverse consequences for refusing to pay bribes even if it may result in the enterprise losing business.

The enterprise should apply appropriate sanctions for violations of the Program, up to and including termination, in appropriate circumstances.

F. Monitoring and Review

Senior management of the enterprise should monitor the Program and periodically review the Program's suitability, adequacy and effectiveness and implement improvements as appropriate. They should periodically report to the Audit Committee or the Board the results of the Program review.

The Audit Committee or the Board should make an independent assessment of the adequacy of the Program and disclose its findings in the Annual Report to shareholders.

G. Raising Concerns and Seeking Guidance

The Program should encourage employees and others to raise concerns and report suspicious circumstances to responsible enterprise officials as early as possible.

To this end, the enterprise should provide secure and accessible channels through which employees and others can raise concerns and report suspicious circumstances ('whistleblowing') in confidence and without the risk of reprisal.

These channels should also be available for employees and others to seek advice or suggest improvements to the Program. As part of this process, the enterprise should provide guidance to employees and others on applying the Program's rules and requirements to individual cases.

H. Training

The enterprise should aim to create and maintain a trust based and inclusive internal culture in which bribery is not tolerated.

Managers, employees and agents should receive specific training on the Program, tailored to relevant needs and circumstances.

Where appropriate, contractors and suppliers should receive training on the Program. Training activities should be assessed periodically for effectiveness.

I. Organization and Responsibilities

The Board (or equivalent) should be satisfied that an effective program has been developed and implemented.

The Board (or equivalent) should also be satisfied that the Program is reviewed for effectiveness and, when shortcomings are identified, that appropriate corrective action is taken.

The Chief Executive Officer (or equivalent) is responsible for seeing that the Program is implemented effectively with clear lines of authority. Depending on the size of the enterprise, consideration should be given to making the day to day operation and breaches of the code the role of a senior officer of a company.

RESULTS OF THE BASELINE STUDY

The *Asia-Pacific Economic Cooperation Anti-Corruption Code of Conduct for Business* (APEC Code) was developed in 2007 by the Anti-Corruption and Transparency Working Group (ACTWG) and was introduced to APEC member economies through the pathfinder project of Australia, Viet Nam, and Chile in 2009. It provides a general framework for an anti-corruption program at the enterprise level.

While progress has surely been made on anti-corruption programs and initiatives involving businesses since the birth and introduction of the APEC Code, there is still a need to come up with tools and measures to help determine the level of implementation of its provisions. These tools will assist APEC economies keep track of the successes, challenges, and obstacles of the anti-corruption campaign in the region.




The study sought to assess the extent that governments, business associations, and private enterprises of member economies have put in place policies, programs, and practices aligned with the provisions of the APEC Code. The study's focus on SMEs is an acknowledgement of their vital role in the economic growth and stability of both developed and developing economies in the region.

The study is exploratory and descriptive in nature. It made use of several data-gathering methods to capture both quantitative and qualitative measures of compliance with the APEC Code. An online survey and content-review of publicly available documents were employed to gather information for the research.

The study found that several provisions of the APEC Code are being implemented in the 17 APEC member economies reviewed. However, the level of implementation of each code provision varies per economy (see Table 2). Among the widely-adopted code provisions is *Prohibition of Bribery*, which was found to be in place in all of the 17 economies reviewed, with specific anti-corruption laws to guide businesses in developing their own enterprise level anti-corruption policies.⁹ The provision *Raising Concerns and Seeking Guidance* is being implemented in 12 economies through national and enterprise level policies that pertain to whistleblowing. The provision *Gifts, Hospitality and Expenses*, as well as the provision *Leadership*, are also in place through domestic laws and enterprise policies in nine out of the 17 economies.

To capture the actual operationalization of the APEC Code, the study cited specific provisions from publicly available documents obtained from the websites of various SMEs of the different APEC member economies. The detailed results of the study, analyzed per APEC Code provision are as follows:

Table 2. Summary of the Implementation of the Provisions of the APEC Anti-Corruption Code of Conduct for Business in the 17 Economies Reviewed

Code Provision	Economies																	Number of economies with evidence
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	
1. Prohibition of Bribery																		17
2. Program to Counter Bribery																		11
3. Scope and Guidelines																		
A. Charitable Contributions																		6
B. Gifts, Hospitality and Expenses																		9
C. Facilitation Payments																		7
D. Political Contributions																		5
4. Program Implementation																		
A. Business Relationship																		4
B. Communication																		6
C. Leadership																		9
D. Financial Recording and Audit																		1
E. Human Resource																		2
F. Monitoring and Review																		1
G. Raising Concerns and Seeking Guidance																		12
H. Training																		3
I. Organization & Responsibilities																		3
<div>  In place for all SMEs  In place for a few SMEs  No info available </div>																		

Note: APEC Economies were alphabetically coded. The dark shaded box indicates that there are evidence found or policies in place that support the implementation of the Code provision in SMEs. The diagonally-striped boxes indicate that only a few private enterprises have policies or programs in place to implement the corresponding code provision. Blank boxes indicate that there is no information available on the implementation of the said provision.

1. Prohibition of Bribery

In all of the economies reviewed, there are specific anti-corruption laws prohibiting active and passive bribery as well as extortion and bribing of foreign officials. Violations of these laws entail penalties such as payment of fines ranging from US\$ 3,000 to US\$ 72,000 or imprisonment of three to 15 years, if one is proven guilty. Sentences are applicable to individuals who have been convicted and may also include the corporation's board of directors who were implicated in the crime.¹⁰ In the case of Indonesia, a provision in the *Law on Corruption Eradication* states, "in the event the criminal act of corruption is committed by or on behalf of a corporation, the lawsuit and the sentence can be instituted against and imposed on the corporation or its board of directors."¹¹ These laws firmly establish that unethical conducts, such as offering or accepting bribes, is not tolerated and, in fact, even criminalized. However, it should be noted that majority of these laws only pertain to private individuals or enterprises bribing public officials. Corruption in the private sector remains to be a blind spot in most anti-corruption legislations.

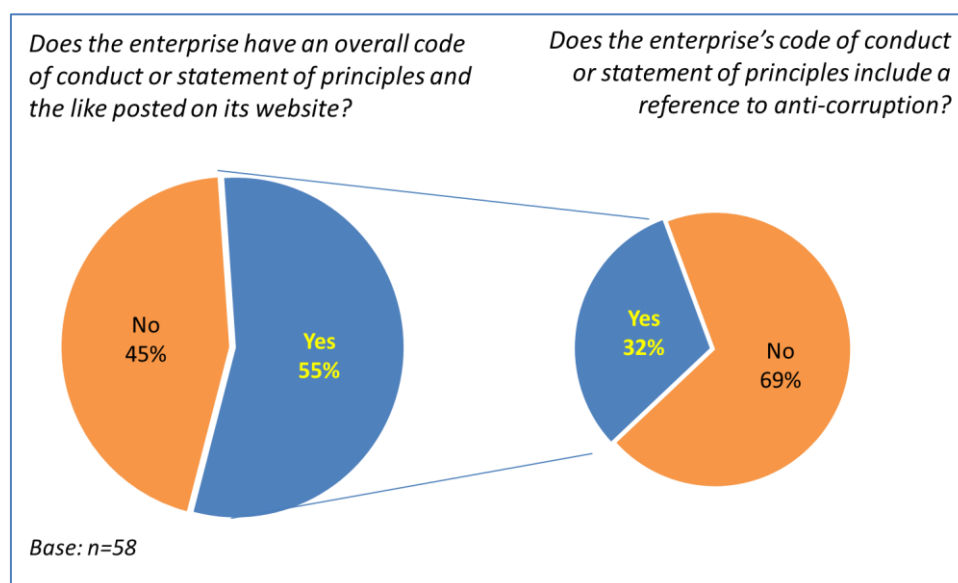
The importance of following anti-bribery rules and regulations was emphasized by enterprises in Malaysia and Chinese Taipei by including in their codes of conduct statements that refer to local anti-corruption legislations and international anti-corruption covenants. For example, UEM Land Holdings in Malaysia requires all of its employees to adhere to the *Malaysian Anti-Corruption Commission Act* and to the various international treaties and globally-agreed instruments against corruption.¹² The code provisions of member enterprises of the Taiwan Stock Exchange (TWSE) also require their employees to comply with several laws including the *Anti-Corruption Act*.

Anti-bribery policies of business associations and chambers of commerce are also being conveyed down to enterprises. Respondents of the baseline survey from Thailand and Malaysia mentioned that their operating procedures are in accordance with the business ethics provided in the rules and regulations of their respective chambers of commerce. A survey respondent from Chinese Taipei stated that their company is guided by the provisions of the *Ethical Corporate Management Best Practice Principles* of the TWSE and Gre Tai Securities Market. He explained that member companies are encouraged to include preventive measures against bribery, illegal political donations, and improper charitable donations in their operational procedures and guidelines.

Based on the website review, 55 percent of the enterprises have their codes of conduct posted on their company websites. Of these enterprises, 32 percent had statements of principles in their codes that refer to corruption or bribery. For these companies, the code of conduct serves as a guiding principle for directors, officers, and employees in their business

transactions with investors, creditors, customers, contractors, suppliers, regulators, and the public.

Figure 1. Anti-Bribery Provision in the Enterprise Code of Conduct



2. Program to Counter Bribery

At the national level, collaborative initiatives between business organizations and the government have been introduced to address corruption issues. In Malaysia, the collaboration among several bodies, including the Malaysian Anti-Corruption Commission (MACC), the Prime Minister's Office, and the Performance Management and Delivery Unit (PEMANDU), led to the voluntary signing of the *Corporate Integrity Pledge* among enterprises in 2011.¹³

Non-profit foundations and business associations such as the Indonesia Business Links' Business Ethics Initiative (IBL) and the International Business Leaders Forum Russia (IBLF Russia) were set up to help raise awareness on business ethics and corporate social responsibility. IBLF Russia also conducts training courses and programs for SMEs on responsible business practices and related anti-corruption capacity-building, planning, measurement, and reporting systems.¹⁴

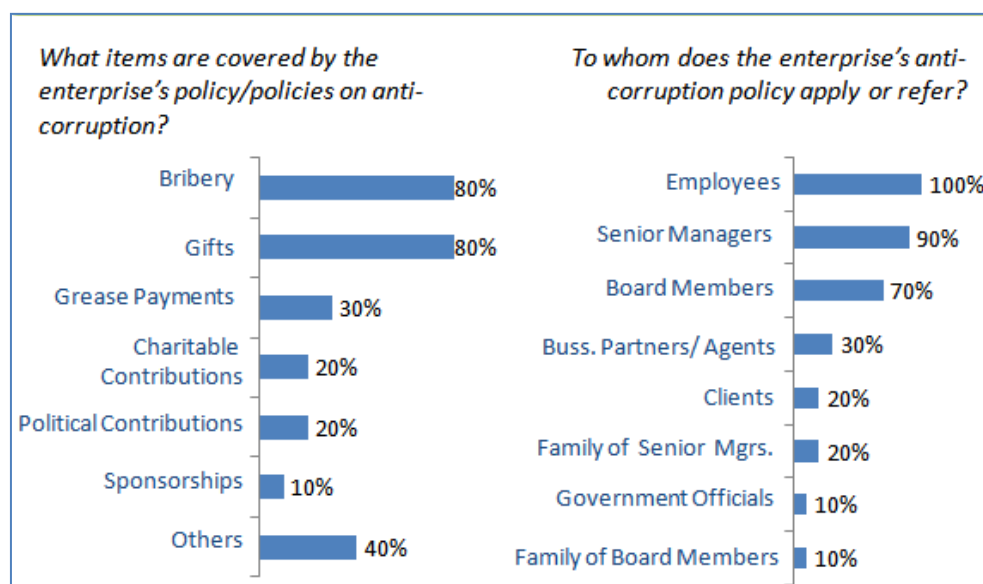
In the Philippines, around 1,500 private companies, together with heads and representatives of government agencies, have signed an integrity pledge to promote and abide by ethical and internationally-accepted business standards.¹⁵ This program was led by the Integrity Initiative, a private sector-initiated campaign to institutionalize integrity standards among various sectors of society. The *Integrity Pledge* is a concrete expression of the commitment of companies to abide by ethical business practices and to support the national campaign

against corruption. Since the pledge was signed either by the chief executive officer (CEO), chief operating officer, managing director, or other senior company officials, all members of the organization are obliged to act with integrity and to carry on work responsibilities ethically.

Likewise, in Korea, representatives from the business, government, labor, and civil society sectors launched the Global Compact Korea Network on 02 July 2007. Around 180 participants, including 70 CEOs, met to discuss issues, initiate activities to raise awareness on business ethics, and align their practices with global standards of corporate social responsibility.¹⁶

At the enterprise level, companies that were selected for the website review and were found to have anti-corruption policies considered bribery and receiving or giving of gifts as their topmost concerns. Thirty percent of the subject companies also had provisions that were specific to facilitation or “grease” payments. All of the reviewed anti-corruption policies were found applicable to employees (100 percent), senior managers (90 percent) and board members (70 percent). This indicates that, at the enterprise level, senior leaders and board members are not exempted from the implementation of the anti-corruption policies of their companies.

Figure 2. Coverage of Anti-Corruption and Anti-Bribery Policies



3. Scope and Guidelines

C. Charitable Contributions

The study found policies related to the code provision on charitable contributions in six economies. In the People's Republic of China and Viet Nam, charitable contributions and

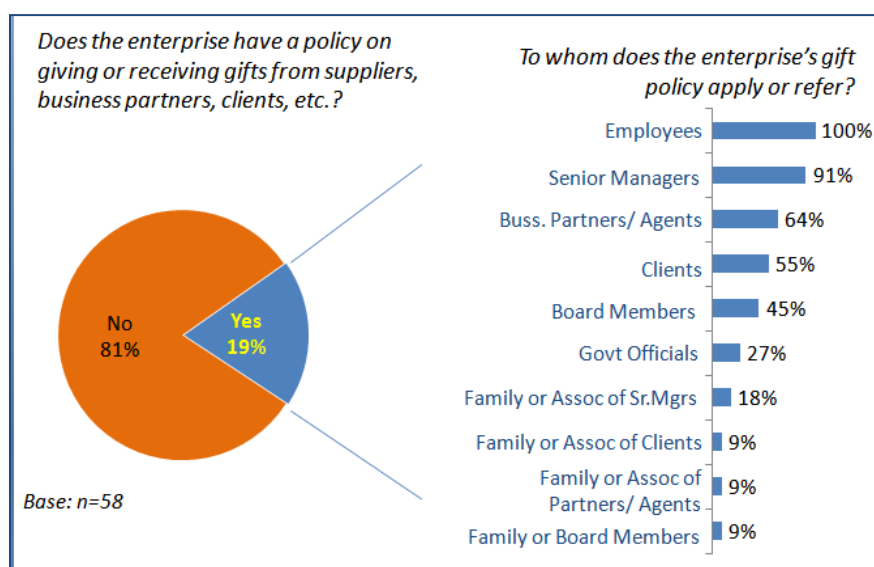
sponsorships must be clearly documented and reported to their boards of trustees. Donations exceeding an allowable amount are also subject to the approval of the board. Likewise, enterprises in Japan need to ensure that receipts are properly issued by receiving parties. And in Malaysia, recipients of charitable contributions are made to understand that any tradeoffs for contributions provided by donors are not allowed.

D. Gifts, Hospitality and Expenses

The code provision on gifts, hospitality, and expenses is in place in nine economies through domestic laws and enterprise-level policies. Though, only 19 percent of the companies subjected to the website review have clearly defined gift policies in their codes of conduct, these policies are also applicable to business partners, agents, and clients, in addition to the companies' employees, senior managers, and board members.

The examination of strategies and specific norms showed that economies with gift giving policies have different levels of acceptable practices. According to World Bank data, enterprises in some economies perceive that they are expected to give gifts to government officials "to get things done."¹⁷ Gift giving is considered unavoidable in Malaysia due to socio-cultural reasons, thus, token gestures are tolerated. Providing gifts to a transaction partner in Japan should not exceed acceptable business and social norms. In some enterprises in Viet Nam and the United States, employees need to inform clients and suppliers upfront that their companies do not accept gifts. If gifts are unavoidable, the staff must inform his or her superior or the human resource department. The gift item will then be raffled off or distributed to charities.¹⁸

Figure 3. Gift-Giving Policy in the Enterprise Code of Conduct



E. Facilitation Payments

The study found that in seven APEC economies, business associations and private enterprises have policies and practices that prohibit the acceptance or giving of unreasonable gifts or other improper benefits to establish business relationships or to influence commercial transactions (see Box 3).

For instance, an online survey respondent, who is a representative of a chamber of commerce in Malaysia, shared that even though token gestures are tolerated in their association, gifts as facilitation payments are to be avoided when there are conflicts of interest or when these might give rise to unfair competition. Below are sample provisions pertaining to facilitation payments found in the company code of conduct of some enterprises.

**Box 3. Sample Provisions on Facilitation Payments
in the Enterprise Code of Conduct**

“If presented with extortion demands by anti-social elements, officers and employees should not compromise [the company] by paying money or [providing improper benefits] in any other way.”

– Ricoh Company, Japan¹⁹

“Employees must not pay or receive bribes, facilitation payments, inducements or commissions, [including] any item intended to improperly obtain favorable treatment or avoid unfavorable circumstances.”

– Miclyn Express Offshore, Singapore²⁰

“It is the policy of the company not to commit any fraud in dealing with traders and creditors. The company is committed to strictly comply with conditions it has with creditors, whether they are related to the purpose of payment, reimbursement, securities and guarantees, and other matters that it has agreed with the creditors for their common interests.”

– Qualitech Public Company, Thailand²¹

“The company does not make use of bribes, kickbacks, excessive entertainment or any other improper payments or favors to gain competitive advantages in the conduct of their business.”

– Boston Beer, the United States²²

F. Political Contributions

The study found that legislations as well as enterprise-level policies related to political contributions are in place in five out of the 17 economies reviewed. For instance, in Malaysia and Chinese Taipei, recipients of political donations are required to properly document and account contributions. Chinese Taipei has even promulgated a *Political Donations Act* in

2010. The law ensures fairness and justness of political activities and has provisions on managing donations and political participation from citizens. Businesses and organizations with government contracts or operated by political parties are prohibited from giving political contributions. Donors are required to post information about their political contributions on their respective company websites. There are also specified limits to the amount of contributions that businesses or citizens can give. The maximum allowable amount of political contributions ranges from US\$ 10,000 individual contribution to a particular person candidate to US\$ 130,000 company contribution to political parties. As an incentive to the donor's transparency, the law states that political contributions are tax deductible.²³

Enterprises in Japan and the US prohibit their employees from giving political contributions to politicians or candidates for political office, and to political organizations in behalf of their company. In the US, for instance, Boston Beer employees are not allowed to participate directly or indirectly in political campaigns during their working hours.²⁴ In Miclyn Express Offshore in Singapore, for example, supervisors are prohibited from soliciting from their subordinates funds for political purposes.²⁵

4. Program Implementation Requirements

A. Business Relationship

The study found business association and enterprise level policies related to the code provision on business relationships in four out of the 17 economies reviewed. For example, companies listed in the TWSE should consider the legality of the conduct of their agents, suppliers, clients, or other trading counterparties, as well as their records of unethical behavior, prior to the conclusion of any commercial transaction. They are likewise advised to avoid dealing with persons with records of unethical conduct. In the same way, SM Development Corporation in the Philippines uses a fair and transparent process for the evaluation and selection of suppliers of goods and services, and an effective monitoring and control system to prevent fraud and other malpractices.²⁶ China Telecommunications Corporation from the People's Republic of China even requires their suppliers to sign an anti-bribery commitment letter if they intend to bid for any of its projects.

B. Communication

Policies and practices in relation to communication were found in six out of the 17 economies covered. From the website review, for instance, documents and policies on bribery of enterprises in Australia, Malaysia, the Philippines, Thailand, and the US were posted on their respective company websites. In Chinese Taipei, companies listed in the

TWSE are asked to disclose the status of the enforcement of the principles stated in their websites, annual reports and prospectuses.

C. Leadership

The code provision on leadership is among the widely-adopted provisions of the APEC Code as it is in place in nine out the 17 economies reviewed. Survey respondents from Thailand and Malaysia identified the involvement and support of company leaders as an important factor—even a basic and core requirement—in purging corrupt business practices.

In about two-thirds of the enterprises subject to the website review, the board of trustees (BOT) or their equivalent endorsed their company anti-corruption policies. Of these SMEs, 86 percent indicated that the BOT is responsible for the review and monitoring of the Code implementation. Similarly, the *Survey of Enterprises on Corruption* conducted by the Social Weather Stations in the Philippines in 2009 showed that companies are willing to spend 5 percent of their net income on anti-corruption programs.²⁷

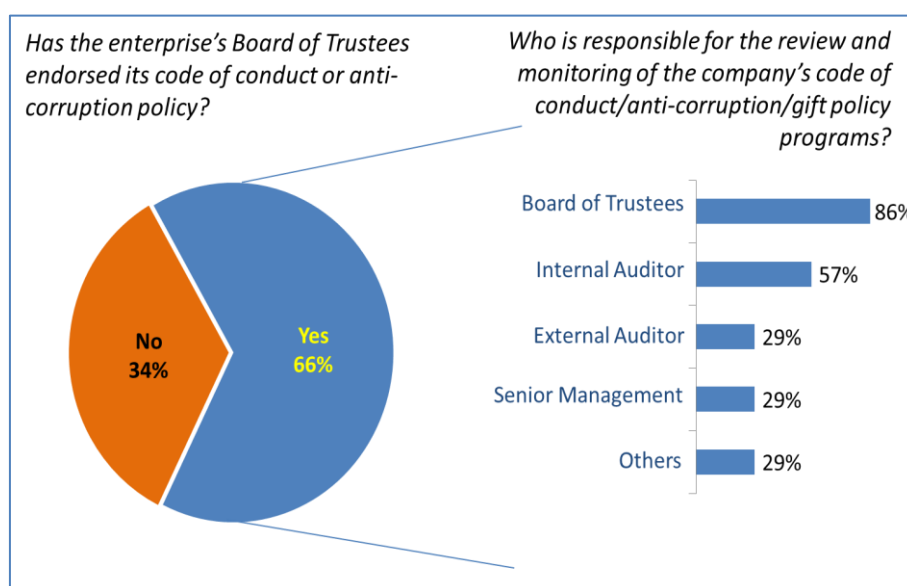
D. Human Resource, Financial Recording and Audit, and Monitoring and Review

Only few information can be found on the implementation of the APEC Code provisions on *Human Resource, Financial Recording and Audit, and Monitoring and Review*. An example of business association level policy is that of the TWSE, which requires member companies to establish an effective accounting and internal control system for business activities that may expose an employee to a higher risk of being involved in corrupt and unethical practices. Companies are expected to conduct periodic reviews of these systems to ensure that their design and enforcement remain effective. Directors, supervisors, managers, and employees are encouraged to suggest improvements on implementation of company policies. The said accounting and internal control system are also subject to the review of internal auditors, who submit reports and recommendations to the board of directors. The TSWE also requires listed companies to regularly monitor developments relative to local and international regulations on ethical corporate management.

At the enterprise level, it was observed that enterprises in Chinese Taipei combine the policies of ethical corporate management with its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system. Policies of ethical corporate management are reflected as a requirement in all aspects of human resource management (i.e., engagement, promotion, training, assessment, and reward). Feedbacks of supervisors on the integrity of the employees are included in the process of promotion. In China Telecommunications Corporation, the annual staff

performance assessment requires an employee integrity report. Rewards are given for honest conduct while penalties are imposed on those who violate policies on honest practices.

Figure 4. Endorsement of Code of Conduct by Board of Trustees



E. Raising Concerns and Seeking Guidance

National and enterprise level policies on *Raising Concerns and Seeking Guidance* are in place in 12 economies reviewed. Laws on whistleblowing exist in Indonesia, Malaysia, Republic of Korea, Peru, Viet Nam, and Chinese Taipei. These laws provide protection for any witness (public and private individuals) who testifies in a criminal case concerning bribery.

At the enterprise level, companies in Australia, People's Republic of China, Japan, Singapore, Thailand, and the US identified in their codes of conduct methods on how employees can report information relating to breaches of their company policies on anti-bribery (see Box 3). Provisions on the companies' codes of conduct state that employees may get in touch with responsible persons via telephone hotlines, facsimile machines, and e-mail or they may directly report to their managers or supervisors.

Box 3. Legislations on Whistleblowing Enacted in APEC Economies

INDONESIA: *Law No. 13 of 2006 on the Protection of Witnesses and Victims* provides protection to all citizens who report corruption and bribery cases.

MALAYSIA: The *Malaysian Anti-Corruption Commission (MACC) Act* and *Anti-Money Laundering Act 2001* provide a legal framework for the protection of whistleblowers in Malaysia. **Clause 65 of the MACC Act** prohibits disclosure of information that can lead to the identification of the informer or whistleblower. In April 2010, the Malaysian government passed the new *Whistleblower Protection Bill* which took effect in December 2010.

REPUBLIC OF KOREA: The *Act on the Protection of the Public Interest Whistleblowers* was enforced on September 30, 2011 and is designed to protect whistleblowers in both the public and private sectors, which equally extends to reporting bribery. In September 2011, the **Anti-Corruption and Civil Rights Commission (ACRC)** began to operate a whistleblower report center. The ACRC may provide a monetary reward of up to USD 2 million to whistleblowers if their report directly leads to recovering or increasing revenues or reducing expenditures for public agencies.

PERU: The *Whistleblower Protection Law of Peru* provides compensation and protection from dismissal or reprimands to whistleblowers. It also ensures the confidentiality of reporting acts of corruption.

VIET NAM: The *Anti-Corruption Law 2005* and the *Law on Complaints and Denunciations* offer some protection to whistleblowers. Denunciators are allowed to request for their identities to be kept anonymous.

CHINESE TAIPEI: In 2000, the Legislative Yuan passed the *Witness Protection Law* which offers protection to witnesses who testify in criminal cases concerning areas such as money laundering, election fraud, or bribery of public officials. The Law also requires the identity of the witness to be kept anonymous. The *Anti-Corruption Informant Rewards and Protection Regulation* provides compensation and protection to whistleblowers and ensures the confidentiality of reporting acts of corruption.

However, it was observed that most whistleblowing policies pertain to reporting private companies or individuals bribing public officials; majority of domestic laws, business association rules, and enterprise level policies remain silent on corruption in the private sector.

F. Training

In the website review, only the enterprises from the People's Republic of China, Japan, and Chinese Taipei showed evidence of incorporating in their anti-bribery policies the conduct of training activities for employees to develop a deeper understanding of how to combat corruption. Localized education is provided via e-learning programs, intranet, handbooks, and face-to-face training activities. To promote a zero-tolerance culture against bribery,

China Telecommunications Corporation organizes an annual *Corruption Combating and Integrity Upholding Awareness Month*. This aims to heighten the consciousness of the company officers and employees, especially the frontline staff, on the importance of upholding honesty and integrity in all business operations at various department levels. In Japan, the extent of employee understanding of the company code is measured as part of internal audit.

G. Organization and Responsibilities

Enterprise level policies in relation to the code provision *Organization and Responsibilities* were found in three out of the 17 economies reviewed. In China Telecommunications Corporation, for instance, executives have anti-bribery responsibilities. A team composed of the company's leaders/representatives from various departments holds regular meetings to discuss anti-bribery policies and programs. Their reports are made public and submitted to the State-Owned Assets Supervision and Administration Commission (SASAC) and the Ministry of Industry and Information Technology.

To achieve sound ethical corporate management, human resource departments of companies in Chinese Taipei are directed to enforce the *Ethical Corporate Management Policies and Prevention Guidelines* as well as periodically report to the board of directors. Senior leaders and employees need to comply with laws and regulations and abide by the prevention guidelines in the course of doing business. Companies also conduct periodic review, formulate preventive measures, and continuously make adjustments to ensure thorough implementation of ethical corporate management policies.

FORUM PROCEEDINGS

The *Forum on the Implementation of the APEC Anti-Corruption Code of Conduct for Business* was held on 20-21 September 2012 in Manila, Philippines. It sought to increase public awareness on corruption in the private sector and provided a venue for improving the implementation of the APEC Code by engaging representatives of business regulatory agencies, business associations, chambers of commerce, and enterprises of the different APEC economies.

To achieve its objectives, the first day of the forum featured discussions on anti-corruption in relation to business. Experts from international anti-corruption organizations and discussants from different APEC economies presented the state of corruption in the region as well as the existing approaches and initiatives for its eradication.

On the second day, the macro and micro level results of the baseline study on existing anti-corruption laws, policies, programs, practices in Asia-Pacific were presented. Likewise, forum delegates participated in breakout workshops on sharing of best practices, challenges, and recommendations for the improvement of existing approaches in fighting corruption and countering bribery. Each workshop group was tasked to formulate an operational program to improve the implementation of and cascading the APEC Code at the national, business association/chamber of commerce, and enterprise levels of APEC economies.

Through the interactions and exchange of knowledge and information among representatives of different APEC economies and sectors, synergistic linkages between the public and private sectors were drawn to promote mutually beneficial practices and bolster complementary efforts in the expanded implementation of the APEC Code.

Day 1 – September 20, 2012

The first day of the Forum commenced with an opening remarks from the ACT 02 2011A Project Overseer, Atty. Maricel Marcial-Oquendo of the OMB. In her speech, she said, “Corruption is a clear and present danger that needs to be confronted head on, lest it destroys the soul and identity of a nation and its people.” She challenged the forum participants to strive to attain the immediate and long term objectives of reform as a worthy endeavor.

The Honorable Conchita Carpio Morales, Ombudsman of the Philippines, then delivered a message that underscored the challenge of curbing corruption in order to achieve good governance among the member economies of APEC. She said, “Stamping out the forces of corruption is as imperative as granting the people of the Asia-Pacific region the full measure of the blessings of a robust economy. Good governance leads us closer to achieving

inclusive growth, generating employment and reducing poverty, and, eventually and ultimately, creating greater prosperity for the greatest number of the people within the region.”

Ombudsman Carpio Morales also drew insight from the idea of a *social enterprise*, which is defined by the Institute for Social Entrepreneurship in Asia (ISEA) as “wealth-creating organizations with a development purpose.” She explained that a social enterprise is not just a business unit operating as a vehicle for social aid but that the business itself revolves around a platform of social change. She also emphasized that the platform of social change must start with a non-negotiable policy of prohibiting bribery in any form. She declared, “It is about time the market dictates not just competitive prices but also a bribery-free business climate.”

Session I: The State of Global Anti-Corruption and Integrity and Transparency Initiatives in the Private Sector

The session had two objectives: to deepen the participants’ understanding of the current state of corruption in the Asia-Pacific and to raise their level of awareness and appreciation on the existing anti-corruption approaches in the region. The session featured expert speakers from reputable international anti-corruption organizations such as the Transparency International, United Nations Office on Drugs and Crime (UNODC), Asian Development Bank (ADB), International Finance Corporation (IFC), United Nations Development Programme (UNDP), and United States Agency for International Development (USAID).

Corruption in the Private Sector and Business Principles for Countering Bribery

Mr. Peter Rooke of Transparency International

Mr. Peter Rooke shared the initiatives of Transparency International (TI) in fighting corruption in the private sector. According to him, TI recognizes the important role of businesses in dealing with corruption. Thus, curbing private sector corruption is one of the organization’s priorities.

Mr. Rooke also expressed his appreciation of the recent developments in the fight against corruption in the Philippines, particularly the Integrity Initiative launched by stakeholders from both the public and private sectors.

As regards promoting the role of businesses in curbing private sector corruption, specifically in countering bribery, Mr. Rooke explained TI’s approaches in engaging supporting companies through education and research, identification and promotion of good practices, provision of anti-bribery tools and resources, facilitation of sector initiatives, and counselling.

In addition to the abovementioned initiatives, TI has an annual publication, *Global Corruption Report*. In 2009, the Report focused on *Corruption and the Private Sector*. It analyzed corruption risks for businesses and gave corresponding recommendations. It also provided additional tools that businesses, civil society, and governments may use.

Mr. Rooke also described TI's participation in the development, implementation, and promoting of the APEC Code in Vietnam, Thailand, and the Philippines. As a parallel effort, TI, together with a multi-stakeholder steering group, developed the *Business Principles for Countering Bribery*. He said that they are now working with other organizations such as the World Economic Forum, International Chamber of Commerce, United Nation's Global Compact, and accountancy bodies to harmonize and strengthen anti-corruption standards for businesses. He said that related tools for are also being developed for their effective implementation. Recognizing that SMEs have fewer resources to tackle corruption though they are very important stakeholders in the implementation of the APEC Code, TI launched the *SME Edition of Business Principles for Countering Bribery* in 2008. Both publications are complemented with a suite of tools, survey questionnaires, and indices to aid businesses, civil society organizations, and government agencies to monitor corruption.

Mr. Rooke emphasized that even though more companies are adopting anti-corruption standards and principles, implementation remains a challenge to most. He explained that the implementation of the *Business Principles for Countering Bribery* begins with a clear and simple commitment from enterprises to conduct its business with fairness, honesty, and transparency; to reject bribery and to develop a programme against it.

In conclusion, Mr. Rooke underscored the growing risk of bribery and corruption in private enterprises. Efforts to manage these risks are being applied and demands for transparency in the private sector are also being articulated by various stakeholders. He admitted that the results of these initiatives are varied—with some companies being able to manage the risks adequately while many others are not. However, he emphasized that the presence of a robust corporate anti-bribery program, coupled with the availability of tools and support mechanisms, should encourage the continuous fight to eradicate corruption and bribery in the region.

Corruption Prevention to Foster SME Development

Mr. Shervin Majlessi of the United Nations Office on Drugs and Crime

Mr. Shervin Majlessi emphasized the importance of SMEs in fuelling economies, citing that these comprise 90 percent of all firms worldwide. According to him, SMEs pay an estimated USD 1,000 billion in bribes annually.

He cited two publications, *Corruption Prevention to Foster SME Development Volumes 1 and 2*, for a detailed explanation of the situation of corruption in SMEs, a joint initiative of UNODC and UNIDO.

He underscored the significance of dealing with the challenges of SMEs and preventing corruption in the sector. In his discussion on the United Nations Convention Against Corruption, he shared that majority of the economies have ratified the convention and reiterated the responsibility of APEC member economies in strictly adhering to and implementing the convention.

His presentation highlighted the problems that SMEs in developing countries may encounter as a result of their size. These challenges include low brand-related media exposure and low ratio of value added to sales, among others. As a result, SMEs and large companies alike perceive corruption as a major obstacle to doing business.

Mr. Majlessi then compared SMEs to large businesses in terms of their vulnerabilities to corruption. The most negative impact of corruption on SME development is revenue loss. He cited that 53 percent of small businesses pay up to 10 percent of their revenues in unofficial payment to public officials. He explained that SMEs have a short-term vision and limited financial resources that induce them to pay a high percentage of their sales to bribe. The structure of SMEs also allows for corruption to flourish and makes the company vulnerable to the influences of corrupt government officials. He enumerated some forms of corruption that greatly affect SME development: nepotism, fraud, state capture, bribery, and involvement in illegal networks.

Mr. Majlessi also shared TI's findings on the industry sectors most affected by corruption, which are: public works, power generation, transportation and storage, and mining. He explained that SMEs allude to dealing with bureaucracy and wanting to establish themselves in the business sector as the main reasons for participating in corrupt activities. Furthermore, the prevailing norms in national institutions, as well as the economy's values and culture, influence the decision of SMEs on whether to engage in corruption.

Given the challenges and negative impact of corruption on SMEs, Mr. Majlessi offered the following areas for intervention: (1) Awareness raising, information dissemination and outreach mechanisms; (2) Upgrading public complaints and reporting mechanisms; (3) Improving SMEs legal awareness and access to justice; (4) Public policies on anti-corruption and SME development (simplification of procedures); (5) Building business partnerships to fight corruption; and (6) SME-internal prevention and control mechanisms.

Open Forum Highlights

After the presentation of the experts, the participants were allowed to ask questions and give comments during an open forum moderated by Mr. Guillermo Luz, Private Sector Co-Chairman of the National Competitiveness Council of the Philippines.

Mr. David Chua of the Malaysian Anti-Corruption Commission shared that putting the discussion to a micro-level will address the fundamental question of how corruption occurs. Mr. Majlessi and Mr. Rooke recognized this good observation and mentioned that corruption is indeed a very complex issue that needs to be tackled at different vantage points. Moreover, it was stressed that corruption is linked to wider development issues. Thus, there should be a comprehensive approach in addressing it on different levels, which could start by paying attention to the dealings and transactions among SMEs.

Mr. Gunter Matschuck of the German Chamber of Commerce – Philippines underscored the importance of understanding the kind of corruption that the small and large companies engage in. He asked if the small and large scale corruption would make any difference in terms of its effects to the business environment.

Mr. Majlessi and Mr. Rooke acknowledged that it could be very interesting to see, in terms of amounts, the upshots of small and large scale corruption. They explained that there are hundreds of thousands of tiny bribes involved in the smaller entities that may increase and pose damage to the economy. However, the main issue lies in the vulnerability of the smaller companies because of their lesser access to justice. To address this challenge, there is a need to be more considerate to smaller firms in terms of ensuring that they can have better access to justice. They emphasized that governments and the chambers can look at it as a collective responsibility.

Ms. Marivic España of the Women's Business Council of the Philippines asked if Mr. Majlessi would agree to the idea of an economy adopting two sets of rules on tax compliance—one for the SMEs and another for large companies. Mr. Majlessi stated that is a plausible idea but it will boil down to the legal provisions that the policy makers can offer.

Supporting Anti-Corruption Initiatives in the Private Sector

Presentation of Ms. Clare Wee of the Asian Development Bank

Ms. Clare Wee stated that ADB has one of the most robust governance and anti-corruption policies among the international organizations. She stressed that ADB's anti-corruption

policy is hinged on promoting the highest ethical standards and zero tolerance for corruption, which all parties engaging with ADB should observe.

ADB's internal preventive system covers a whole range of tools including risk-mitigating mechanisms, monitoring procedures, and remediation measures. Some of the risk-mitigating instruments of ADB include whistleblower protection, code of conduct, risk assessment tools, auditing tools, and anti-corruption due diligence. ADB is recently focusing on raising awareness among CSOs on its anticorruption policies.

ADB employs methodologies similar to those of other international organizations when it comes to monitoring the implementation and effectiveness of anti-corruption initiatives. However, Ms. Wee mentioned that measuring project losses due to corruption is a major difficulty. She explained, it is challenging to choose the most appropriate methodology that takes into account the peculiar nature of ADB as an international financing institution.

Aside from corruption, ADB defined other top integrity violations such as fraud, collusion, and coercion. She noted that all of the definitions have been harmonized with that of other international organizations such as the World Bank and Inter-American Development Bank, among others. On top of the four main integrity violations, ADB also monitors grave misconduct, obstructive practices, conflict of interest, and abuse.

Ms. Wee also shared that a similar agreement on cross-debarment of companies has been entered into by the same group of Multilateral Development Banks (MDBs) in 2010. Through this agreement, violators risk getting sanctioned not only by ADB but by other multilateral development banks as well. Ms. Wee explained that ADB's new set of sanctioning guidelines is harmonized with other financing institutions to ensure consistent treatment of individuals and firms.

Presentation of Mr. Jesse Ang of the International Finance Corporation

Mr. Jesse Ang's presentation focused on SMEs and their vulnerability to corruption and integrity issues. To address this vulnerability, he shared that the International Finance Corporation (IFC) is developing a web-based tool, which draws from a series of workshops done in several areas such as the Philippines, Canada, Kenya, Serbia, and Lebanon. IFC is continuously improving the tool through the integration of lessons gathered from a series of workshops for SMEs. In particular, IFC is trying to focus on the benefits of integrity in SME business operations.

Mr. Ang explained that the tool considers three levels of action. He pointed out that integrity is not defined from a moral or ethical standpoint but on the idea that good integrity

performance equates to good business performance. He cited a World Bank survey saying that the SMEs are estimated to spend up to 33 percent—and in some cases, up to 49 percent—of their revenues on bribes.

The first level of action is on *foundation*. This covers internal processes like risk assessment and includes integrity as part of the long-term strategy. He said that this also includes the introduction of policy, principles, rules, and training programs for the staff and the creation and maintenance of internal systems and control.

The second level of action is the *demonstration of good integrity performance* manifested through the interactions within the enterprise and with external parties. This is done by using measures (such as policies, and communication through websites and hotlines) to establish the integrity of the firm or of the external parties and by conducting regular internal and external audits. IFC suggests specific actions such as broadening the integrity programs that cover not only the firm but also external parties; providing incentives and training to suppliers and customers; and rating customers and suppliers based on the industry benchmark. It also encourages SMEs to let employees come forward whenever there are specific instances of questionable practices. Enterprises should also install measures for their protection and security.

The third level of action, or the collective action, is on the *improvement of the business environment* demonstrated through a signed statement or written contract between business partners, for instance, to act with integrity for the duration of their partnership. An anti-corruption declaration or pact of various firms, such as that of the Makati Business Club from the Philippines, promotes anti-corruption in a principle-based initiative and business correlation.

Mr. Ang said that SMEs have a high level of awareness on integrity issues. However, enterprises also recognize their limitations to take action. He emphasized that the recommendations made by the IFC were considered in relation to their cost-effectiveness and the high possibility of interaction between SMEs and the public sector, though mostly on the municipal level.

Lastly, IFC recommends that government build better relationships with SMEs by streamlining transaction processes in order to limit the opportunities for extortion, having trust-building exercises such as dialogues with the private sector, and benchmarking the performance of local government units and agencies against each other to encourage good integrity practices.

Presentation of Mr. Samuel De Jaegere of the United Nations Development Programme

With a resolve to speak the truth, Mr. Samuel De Jaegere of the United Nations Development Programme (UNDP) provided a picture of private sector corruption in the Asia-Pacific region. He highlighted the results of several surveys and studies on private sector corruption and discussed the impact of corrupt practices on developing economies. He also outlined the activities being undertaken by the UNDP to combat corruption.

Mr. De Jaegere shared the results of a 2012 Gallup Survey which shows the perception about private sector corruption in APEC member economies. He underscored that there is diverse perception on private sector corruption with the percentage indicating that corruption is widespread in the business sector (13 to 86 percent). Specific to bribery, another survey shows that APEC member economies (Indonesia, Mexico, China and Russia) are ranked as the bottom four in the Bribe Payers Index.

The Bribe Payers Index 2011 also identified the five most corrupt sectors: public works contracts and construction; utilities; real estate, property, legal and business services; oil and gas; and mining. Mr. De Jaegere noted that in 2009, three-quarters of mining companies had headquarters in Canada due to tax incentives. To counter this, efforts to improve transparency, particularly in the extractive industries, are being pursued.

Yet there seems to be a growing trend in private sector corruption, which has become a major issue in the Asia-Pacific region. Mr. De Jaegere mentioned two anti-corruption agencies -- the Independent Commission Against Corruption (ICAC) of Hong Kong and the Corrupt Practices Investigations Bureau (CPIB) of Singapore -- whose majority of case loads are related to private sector corruption.

As to the impact of private sector corruption on development efforts, Mr. De Jaegere shared the findings of the 2008 Global Financial Integrity Report on illicit financial outflows from 2000 to 2008. The amount of cumulative illicit financial outflows is staggering in the APEC region. He pointed out that this amount is 10 times the amount of foreign aid that flows in for development initiatives. He emphasized that this significantly hampers the ability of developing countries to pursue development goals.

One of the major contributors to illicit financial outflows is trade mispricing which happens when companies trade with each other and artificially distort the price to minimize the overall tax bill. Based on the Financial Secrecy Index, four APEC economies are included among the top 10 countries that attract illicit money flows.

Recognizing the significant impact of private sector corruption on development, UNDP implements several activities for its eradication. One is through capacity-building activities for anti-corruption agencies in seven countries in Asia. Mr. Jaegere also noted that more anti-corruption agencies are now focusing on private sector corruption even though these are not included in their mandates.

Lastly, Mr. De Jaegere posted several questions for the delegates to reflect on regarding the APEC Code as well as anti-corruption initiatives, in general. He believed that the Forum is a good opportunity to further discuss the issues on private sector corruption and development.

Presentation of Ms. Gloria Steele of the United States Agency for International Development

Ms. Gloria Steele discussed the context of development as a complex challenge and zeroed in on corruption as one of the biggest challenges in the road. She stressed that corruption is more than just a failure of individuals but a breakdown of institutions. Thus, addressing corruption requires multi-sectoral initiatives; many successful anti-corruption efforts are a product of collective initiatives.

According to Ms. Steele, the private sector plays an important role in implementing the initiatives of USAID. USAID forges partnership with the private sector with integrity at its core. USAID ensures that none of its partner institutions are engaged in corruption of any form.

Ms. Steele then presented the specific initiative of USAID in the Philippines which focused on reducing opportunities for bribery. In line with this, the USAID supports the streamlining of local business processes, local online registries, and one-stop shops. In addition, USAID is also involved in advancing corporate governance with business chambers and supports private sector coalition in advancing integrity development through clean procurement process. More recently, she said that the USAID has been part of the public-private partnership (PPP) coalition.

She also discussed the Partnership for Growth (PFG) commitment of the Republic of the Philippines and the United States. The PFG, as an enhanced RP-US engagement, aims to expand fiscal space, enhance human capital, and improve governance. Focusing on governance improvement, the PFG initiatives in countering corruption are concentrated on strengthening enforcements directed to large-scale corruption and supporting corruption-prevention measures, specifically the monitoring of compliance with the Anti-Red Tape Law. The initiatives also include expansion of partnerships in corporate governance and the

efforts of increasing compliance in corporate governance standards as operationalized in the APEC Code.

Session II: Implementing the APEC Anti-Corruption Code of Conduct for Business

Session II centered on the APEC Code and its implementation. Representatives from the pathfinder project of Australia, Chile, and Viet Nam shared their experiences as pilot economies while delegates from the People's Republic of China, Malaysia, and the Philippines presented some of the existing anti-corruption programs that are in line with the APEC Code.

The APEC Anti-Corruption Code of Conduct for Business

Atty. Alan R. Cañares, Office of the Ombudsman of the Philippines

Atty. Cañares talked about the history and salient provisions of the APEC Code. In 2004, recognizing the impact of corruption on good governance and economic growth in the Asia Pacific region, APEC Leaders committed to work together to fight corruption and ensure transparency. Along this line, the APEC Leaders endorsed the *Santiago Commitment to Fight Corruption and Ensure Transparency* and the *APEC Course of Action on Fighting Corruption and Ensuring Transparency*.

To ensure the smooth and effective implementation of these commitments, an Anti-Corruption and Transparency Experts' Task Force (ACT) was created in the following year. Consistent with its mandate, the ACT developed an *APEC Anti-Corruption Code of Conduct for Business* along with two other codes: the *Conduct Principles for Public Officials* and *Complementary Anti-Corruption Principles for the Public and Private Sector*. To implement the APEC Code, capacity-building interventions were conducted for government and law enforcement officials, civil society representatives, chambers of commerce, and SMEs.

Piloted in three APEC economies, the APEC Code serves as a general framework for an enterprise-level anti-corruption program. According to Atty. Cañares, the APEC Code is a set of guidelines that should be observed by enterprises to prevent bribery. He explained that it offers a definition of bribery and cites specific examples of bribery as well as sets norms of conduct in the solicitation and acceptance of charitable contributions, gifts, hospitality, expenses, facilitation payments and political contributions.

One of the important features of the APEC Code is mandating the development of an enterprise-level program that articulates the values, policies, and procedures to be used to prevent bribery. He mentioned that to ensure that the code provisions are carried out, the

APEC Code is embedded with implementation requirements on business relationships, communication, leadership, financial recording and auditing, and human resources. Atty. Cañares also stressed that the APEC Code puts emphasis on the early detection of “suspicious circumstances” by encouraging employees and others to raise concerns and report to responsible enterprise officials. Other provisions also include a system for monitoring and review and establishment of a comprehensive development program to include managers, staff, and agents on the provisions of the Code.

The Pathfinder Project of Australia, Chile, and Viet Nam

Presentation of Mr. Anthony Weymouth, Australian Trade Commission in Manila

Mr. Weymouth shared Australia’s experience as the Project Overseer of the *Implementation of the APEC Code in Australia, Vietnam, Chile and the Philippines*. The three objectives the project was designed to achieve were:

- To increase awareness that corruption is an unacceptable practice according to law, and strengthen civil society within the private sectors of both the developed and developing nations;
- To provide education to a targeted group of small and medium enterprises on corruption based on the code; and
- To improve the ability of economies, partner organizations, law enforcement bodies and industry representatives to implement anti-corruption laws and standards.

Mr. Weymouth explained that the Australian Government promoted the APEC Code to the private sector through the key strategy called “*Trading with Integrity*.” According to him, the strategy involved a series of seminars on corruption and foreign bribery to raise the awareness of enterprises on the issues within the Australian private sector and the businesses operating overseas. He also noted that during the promotion of the APEC Code, the emphasis was on the legal obligations of corporations and individuals with regard to corruption.

For the promotion of the APEC Code in Chile, Viet Nam and Thailand, workshops were held to help increase awareness of enterprises on corruption in the public sector. In addition, the workshops provided the environment for the education of the participants on their obligations under the domestic and international laws. He added that civil society engagement was also strengthened with the support of Transparency International, which played a key role in delivering the initial outreach activities in Vietnam and Thailand.

Mr. Weymouth also shared that they have identified several important findings during the implementation of the project: 1) to promote integrity and corporate social responsibility in businesses, governments need to develop closer partnerships with the business sector; 2) national publicity campaigns and closer links between the media and the civil society can effectively strengthen the APEC Code implementation; and 3) there is a need to strengthen the link between government agencies and anti-corruption entities.

Presentation of Mr. Pablo Gomez, Public Prosecutors Office of Chile

Mr. Pablo Gomez stated that the APEC Code is not yet implemented in Chile. However, members of their private sector have recently created an ethical code related to the APEC anti-corruption principles to prevent anti-trust practices and to emphasize on better information for customers.

As Valaparaíso's Regional Prosecutor, Mr. Gomez shared the government of Chile's different efforts in adopting the good practices in implementing programs and policies aligned with the APEC Code. He focused on the *Compliance Programs on Anti-Trust* developed by the National Economic Prosecutor's Office, their administrative regulation for the private sector, and the *Organization Models* outlined in *Law 20.393*.

Mr. Gomez explained that *Law 20.393* refers to the *Chilean System of Liability of Legal Entities*. He described the main features of the law, which is by part a strategy for crime control through enforced self-regulation. Under the law, liability is based on the fact of not being organized and properly regulated. Thus, it imposes on companies the duty to organize and do self-regulation so they may develop mechanisms for the prevention and detection of crime. Furthermore, the law introduces criminal responsibility of legal entities for a limited list of offenses such as bribery of Chilean and foreign public officials, money laundering, and financing of terrorism. He pointed out that the list corresponds to requirements of international treaties such as the United Nations Convention Against Corruption (UNCAC) and the Organization for Economic Cooperation and Development (OECD) Anti-Bribery Convention.

Mr. Gomez also discussed *Article IV of the Law on Organizational Default System*, which establishes standards of crime-prevention model organizations inside the legal entities. The principal characteristics of the models are: (1) voluntary prevention program; (2) provision of minimum standards of prevention, though companies should establish better and higher regulations and standards; and (3) no pre-established standards for certification.

He further explained that the Law also establishes four basic elements of the crime prevention model, referring to (1) *prevention officer*, (2) *power and resources*, (3) *adoption and implementation of prevention programs*; and (4) the *monitoring and certification system*. For offenses, the prosecutor's office handles the case, investigates if the company has a compliance program, and finds out if the company has adopted the organizational model.

In conclusion, Mr. Gomez noted that Law 20.393 was issued according to international standards, including that of the APEC Code. The law focuses on the importance of crime prevention and organizational models that are voluntary—though companies are made aware of the presumption of compliance.

Presentation of Ms. Phung Thi Lan Phuong, Viet Nam Chamber of Commerce and Industry

Recognizing the extent of corruption in developing countries, Ms. Phung Thi Lan Phuong related that fighting corruption in Viet Nam is commonly perceived as a role of the public sector and government but not of the private sector.

Ms. Phung Thi Lan presented the specific initiatives of the Vietnam Chamber of Commerce and Industry (VCCI) in assisting SMEs in the fight against corruption in creating a transparent and fair Vietnamese business environment. According to her, the VCCI, being a private entity independent of the government, promotes appropriate, objective, and effective anti-corruption activities. In particular, it assists in policy making to curb corruption by seeking comments and recommendations from the business community on draft laws relating to the business sector. It also monitors and reviews policies by facilitating dialogues between the government and the business community to gather perceived problems or issues, difficulties, and obstacles experienced by businesses. In addition, the VCCI conducts the annual *Survey on Provincial Competitiveness Index* (PCI) and the *Integrity and Transparency in Business Initiative for Vietnam* (ITBI) to review the results of business law implementation.

By sharing the results of the current status of corruption in the Viet Nam business sector, Ms. Phung Thi Lan conveyed that business enterprises are now aware of the importance of preventing and combating corruption with the implementation of internal anti-corruption regulations. She observed, however, that the concrete outcomes of such regulations are yet to be fully realized. She concluded that improving the proper and strict enforcement of internal anti-corruption regulations of enterprises may contribute in addressing remaining corruption challenges in Viet Nam.

***Prospects and Experiences of Other APEC Member Economies in
Implementing the APEC Anti-Corruption Code of Conduct for Business***

Presentation of Mr. Shao Chunbao, People's Republic of China

The Chinese State-Owned Enterprises (SOEs) combined their efforts in implementing the APEC Code together with other relevant programs pushed forward by the Chinese Government, which focused on compliance with state rules governing the behavior of SOEs.

Mr. Shao Chunbao, representing China Telecommunications Corporation, one of the top three state-owned telecommunications company in China, shared the SOEs' experience in the implementation of the APEC Code. The presentation revolved around three major objectives:

- Check and balance in decision-making procedure;
- Improving the management and control mechanism; and
- Improving the holistic supervision system.

On the first point, Mr. Shao explained that in order to establish check and balance in decision-making procedures, it must be in place in the government structure. He shared that listed SOEs have three levels of management: the board of directors, the management team, and the board of supervisors. On the other hand, for unlisted SOEs, the State-Owned Assets Supervision and Administration Commission (SASAC) assigns a board of supervisors on top of having more external directors than internal ones. He also mentioned another approach, which is decentralized power in implementation, wherein the board of directors is separate from the management, the levels of decision-making are distinguished, and supervisory departments participate in making these decisions at each level. Emphasis is also given to standardized decision-making procedure specifying the scope, authority, and procedure regarding major decisions, personnel changes, proper arrangement, and use of large amount of money.

For his second point, Mr. Shao underscored the importance of increasing control over power, increasing staff supervision, preventing abuse of public power for personal use, and preventing commercial bribery in order to improve mechanism for management and control.

He then explained that the first approach to the last objective he mentioned is the improvement of prevention and control mechanism through a "trinity" line of defense, including supervision of business management, integrated control departments, and inspection and audit departments. He also highlighted the importance of improving the

coordination mechanisms, namely, the joint conference system, the information sharing mechanism, and the collaborative work mechanism. Lastly, he stressed the approach on improving the punishment mechanism by focusing on the link of supervision (efficiency, audit, and special inspection), investigation (detection, investigation, and correction) and punishment (economic punishment, organizational sanction, disciplinary sanction, disqualification to position, and transfer to judicial organs).

Presentation of Mr. Shaharuddin Khalid, Malaysian Anti-Corruption Commission

Mr. Shaharuddin Khalid shared that the Malaysian Government, through its Malaysian Anti-Corruption Commission (MACC), is able to promote corporate compliance, internal control, and ethics in the detection and prevention of bribery with emphasis on specific measures such as the law, code of business ethics, corporate integrity pledge, and integrity pact. This is how the APEC Code is being operationalized in their economy.

Mr. Shaharuddin added that several laws are being enforced in relation to the APEC Code, aside from the establishment of the MACC. He mentioned the *Whistleblower Protection Act 2010*, which encourages informers to expose corrupt practices and other misconduct and includes a provision for the immunity of informers from civil or criminal charges. He also identified another law, the *Witness Protection Act 2010*, which established a witness protection program.

Mr. Shaharuddin stated that Malaysia recognizes integrity, transparency, and good governance as vital factors for the survival of economic interactions and growth, especially in SMEs. He added that Malaysia believes that bribery or corruption, if present, can affect the investors and the society at large. Corruption also increases business costs and results in major losses to the traders, chambers, and government.

Thus, the Malaysian government encourages all parties involved in business to work together with the government to boost the economy. While businesses need to meet the economic expectations, they should consider ethical responsibilities. Toward this end, the government introduced the *Corporate Integrity Pledge* (CIP), a voluntary unilateral declaration. Any party who signs the CIP should uphold the *Anti-Corruption Principles for Corporations in Malaysia* in the conduct of business and interactions the government. The general pillars of the anti-corruption principles of CIP include *trustworthiness, respect, responsibility, fairness, care, and citizenship*. Adherence to the pledge is a demonstration the company's business operation does not include any risks associated with corrupt activities and an assurance to the stakeholders that all activities with regard to integrity will

be reported. Special modules are to be designed for the signatories to ensure that their respective employees, suppliers and, customers understand the spirit of CIP.

Presentation of Mr. Peter Perfecto, Integrity Initiative, Philippines

According to Mr. Peter Perfecto, *Integrity Initiative* aims to shape a culture of integrity in the Philippines. Thus, for the past 10 years, the Makati Business Club (MBC) has worked on anti-corruption activities since the implementation of the *Transparent and Accountable Governance* (TAG) project. MBC also conducted surveys among Filipino businessmen on their experiences on corruption in public and private sectors.

Mr. Perfecto also noted that the *Coalition Against Corruption* (CAC) was convened in 2004 when corruption became a major challenge in the Philippines and concerns were being raised by the business sector. It is composed of 11 network organizations, including businesses, academe, faith-based groups, and NGOs. The CAC's mission is to monitor government procurement and the delivery of public services.

Mr. Perfecto narrated that the Integrity Initiative which started in 2009 is a private sector-led campaign to build a culture of integrity in society. Incidentally, when Siemens launched a global grant program to support integrity development projects in various countries, its proposal for a project called SHINE (Strengthening High-level Commitment to Integrity Initiatives and Nurturing Collective Action of Enterprises Advocating for Fair Market Conditions) was selected as one of the grantees out of 300 proposals worldwide.

Mr. Perfecto stated that Integrity Initiative's goal is to level the playing field for businesses and to create fair market conditions. He also shared that the organization recognizes the struggle to reach its goal since other companies get unfair advantage and profits through unethical practices such as bribery. He explained that leveling the playing field will reverse this situation so that ethical companies will have competitive advantage.

Mr. Perfecto also stressed that ethical companies will attract good employees, gain loyal customers and should get appropriate incentives from the government. A wider coalition of organizations has now joined the campaign and there are 1,500 CEOs or heads of companies who have signed the Integrity Pledge. Moreover, apart from the private sector signatories, 32 heads of government agencies have signed as well. However, there is still a long way to go considering that there are 700,000 companies in the Philippines. There is still a need to encourage more companies and government agencies to sign the pledge.

Mr. Perfecto also discussed the provisions included in the Integrity Pledge, namely:

- Setting the tone from the top;
- Prohibiting bribery; and
- Sharing best practices on integrity development.

Lastly, Mr. Perfecto shared that as part of their agreement with the Philippines government to be an active partner in the implementation of anti-corruption programs including the APEC Code, a Unified Code of Conduct for Business was launched in 2011. It has provisions that are aligned with the APEC Code and the UNCAC principles. He ended by saying that despite the challenges, a culture of integrity can be achieved with enough support from every sector of society.

Day 2 – September 21, 2012

Day 2 of the Forum started with a recap of the discussions from the previous day. The Forum Secretariat reminded the participants that, based from the presentations of the previous day, corruption is more than just the failure of an individual to uphold moral and ethical standards in conducting business but it is a breakdown of institutions which leads to staggering revenue loss and cripples the social and economic development of societies. Before formally opening the last session of the event, the Secretariat encouraged delegates to actively participate in the scheduled workshop activities to enrich the pool of best practices for the expanded implementation of the APEC Code and the global fight against corruption at large.

Session III: Developing an Operational Program for the Implementation of the Asia APEC Anti-Corruption Code of Conduct for Business

The third session of the Forum focused on further enriching the discussion from the last two sessions. The results of the baseline study, aimed to surface the best practices, facilitating factors and difficulties encountered by economies in implementing the APEC Code, were presented to the plenary prior to the breakout workshop.

Drawing from the various perspectives, approaches, and experiences in anti-corruption, the participants then came up with program proposals to improve the implementation and further cascade the APEC Code at the national, business association/chamber of commerce, and enterprise levels of APEC economies.

Results of the Baseline Study on the Implementation of the APEC Anti-Corruption

Mr. Antonio D. Kalaw, Jr., Development Academy of the Philippines

Mr. Antonio D. Kalaw, Jr. started his discussion by providing an overview of the research conducted by the DAP. He explained that the baseline study sought to determine the extent of implementation of the APEC Code in the APEC member economies. Specifically, the study looked into the policies, programs and practices being done by enterprises in relation to the provisions of the code.

Mr. Kalaw also discussed the methodology used for the baseline study. He detailed that the study conducted a survey among government representatives and representatives from chambers of commerce, business associations, and management decision makers of SMEs. He also noted that the survey was supplemented with information from the website review of randomly selected businesses from the Forbes Top 200 SMEs in Asia-Pacific and Top 100 Small American Companies as well as review of secondary data from the Business Anti-Corruption Portal managed by the Global Advice Network in Denmark.

Mr. Kalaw disclosed that the website review was conducted from August to September 2012. He also explained the limitations of the study by stating that the review only covered the official websites of 58 randomly selected companies which are distributed across 13 APEC economies. Upon employing other methodologies, the study was able to cover 17 APEC economies (information from Brunei Darussalam, Canada, Chile and Papua New Guinea were unavailable when the data was gathered). He emphasized that while the results of the study are meant to reflect the adoption of the APEC Code provisions in the economies, the results of the study should not be taken as a general situation for each economy in particular or the Asia-Pacific region in general.

According to Mr. Kalaw, 32 percent of enterprises with codes of conduct published on their websites include specific provisions on anti-corruption in their company codes of conduct. Only a third covered provisions on the facilitation or “grease” payments. Enterprise anti-corruption policies apply not only to employees but also to senior managers and board members, indicating a broad approach to anti-corruption initiatives at the enterprise level.

The provisions on *Program to Counter Bribery, Gifts, Hospitality and Expenses*, and *Leadership* are being implemented by some enterprises in more economies than other APEC Code provisions. In most economies, specific anti-corruption laws prohibiting active and passive bribery, as well as extortion, are also reflected in the enterprise-level code of conduct. At the national level, private organizations in Malaysia and the Philippines, together with heads and representatives of government agencies, have signed an integrity pledge to promote and abide by ethical and internationally-accepted business standards. At the

enterprise level, employees are required to sign and adhere to company-specific codes of conduct in some APEC member economies such as Malaysia, Singapore, Japan and Thailand.

The study showed that policies and practices on gifts, hospitality and expenses are being implemented at different levels. Mr. Kalaw also noted that the policy generally applies not only to employees, senior managers, and board members but also to business partners, agents, and clients. The study revealed that anti-corruption policies in majority of the companies enjoy the support of their board of directors/trustees.

The study brought to the fore the role of company leaders in anti-corruption programs. Leadership was identified by the respondents to the baseline survey as a basic and core requirement to purge corrupt practices. Likewise, results of the website review showed that enterprise anti-corruption policies are endorsed by the board of trustees in some economies.

In conclusion, Mr. Kalaw presented a set of recommendations to enhance the implementation of the APEC Code. He suggested that private enterprises be included in the process and encouraged that these enterprises post their codes of conduct online. He recommended that the business associations and consumer groups should be more involved in adopting and promoting the APEC Code, as well as in monitoring and evaluating its implementation. Lastly, he stated continuous monitoring of the level of implementation of the different provisions of the APEC Code among member economies to come up with meaningful programs to promote its implementation

Sharing of Prospects and Experiences in Implementing the APEC Anti-Corruption Code of Conduct for Business and Formulation of an Operational Program

To further enrich the sharing of prospects and experiences in implementing the APEC Code, the delegates were divided into four workshop groups to discuss in detail the existing anti-corruption policies, programs, and practices in their respective economies.

In addition, the participants were asked to identify factors that facilitated and/or hindered the implementation of anti-corruption initiatives in their respective economies. They also contributed in the formulation of an operational program that aims to further cascade the APEC Code in the national governments, business associations, and enterprises of APEC economies. Their inputs to the operational program were presented during the plenary session of the Forum.

Table 3 presents the consolidated tabulation of the points on existing anti-corruption laws, programs, and initiatives raised during the breakout workshops, arranged per economy.

Table 3. Existing Anti-Corruption Approaches and Corresponding Facilitating and Hindering Factors, Per Economy

ANTI-CORRUPTION INITIATIVES	FACILITATING FACTORS	HINDERING FACTORS
BRUNEI DARUSSALAM		
<ul style="list-style-type: none"> • Prevention of Corruption Act • Criminal Assets Recovery Order of 2012 • Public Service Commission Act, Chapter 83 • Establishment of the Integrity Development Center in 2009 • Public awareness program: Corruption prevention education in the national education system 	<ul style="list-style-type: none"> • Strong political will • Independence of the anti-corruption bodies • Public awareness 	<ul style="list-style-type: none"> • Public perception that the anti-corruption agencies are not doing well • Delays in the investigation and subsequently prosecution of offenders due to complexity of corruption cases • Political intervention
CHILE		
<ul style="list-style-type: none"> • Law No. 20.393, which introduced criminal responsibility for bribery • Ethical code for private companies • Existing rules on giving and acceptance of gifts for public officials 		<ul style="list-style-type: none"> • Difficulty in investigating cases due to absence of enabling mechanisms

ANTI-CORRUPTION INITIATIVES	FACILITATING FACTORS	HINDERING FACTORS
PEOPLE'S REPUBLIC OF CHINA		
<ul style="list-style-type: none"> • Establishment of a National Integrity System • Special Committee on Anti-Corruption that works together with the ministries and departments on anti-corruption • Special campaign to counter commercial bribery • Anti-Corruption Academy was recently opened; it provides training for state-owned enterprises on prohibition of commercial bribery • Training program on anti-corruption laws and regulations and whistleblowing protection for employees • Companies are required to have a code of conduct • Internal auditing mechanisms for state-owned enterprises in place to inspect companies especially leaders 	<ul style="list-style-type: none"> • Anti-corruption is a government priority • Strong political will of government • Legislative branch and ministries working together on anti-corruption • Strong involvement of civil society: media, private sector, and NGOs 	<ul style="list-style-type: none"> • Traditional culture of gift giving • Increasing public expectations

ANTI-CORRUPTION INITIATIVES	FACILITATING FACTORS	HINDERING FACTORS
INDONESIA		
<ul style="list-style-type: none"> • Special Court of Corruption • Presence of a legal framework on corruption • Existing law against bribery: Law on Eradicating Corruption No. 20 of 2001 • Whistleblowing policy and witness protection program • 100% conviction rate and prosecution of offenders, including persons from private sector and parliament members • Corruption prevention campaigns for students, in partnership with Chamber of Commerce • Existing system on reporting the acceptance of gifts over one million Indonesian rupiah • Established codes of conduct, corporate governance and gratification systems • Established enterprise unit responsible for promoting corporate governance Employees enter into an annual agreement in adherence to the company code of conduct • Enterprise-level initiatives to promote good corporate governance (PERTAMINA) • PERTAMINA entered into a memorandum of understanding with provincial anti-corruption bodies 	<ul style="list-style-type: none"> • Strong political will • Full commitment of the leaders • High level of public awareness on corruption • Understanding between state-owned enterprises and provincial anti-corruption bodies • Accessibility of online system to company personnel 	<ul style="list-style-type: none"> • Bad political system • Need for political parties to be empowered on good governance

ANTI-CORRUPTION INITIATIVES	FACILITATING FACTORS	HINDERING FACTORS
MALAYSIA		
<ul style="list-style-type: none"> • Malaysian Anti-Corruption Commission Act of 2009 • Whistleblowing Act of 2010 • Witness Protection Act of 2010 • Punitive and preventive actions being taken by government • Work procedures, systems and SOPs created to guide responsible persons • Continuing education, media publicity and publication of cases as a deterrent measure 	<ul style="list-style-type: none"> • Strong political will • Cooperation from the public 	<ul style="list-style-type: none"> • Companies are still tempted to use corrupted means to achieve their ends • Difficulty in seeking senior personnel with good leadership qualities • Public cooperation
PAPUA NEW GUINEA		
<ul style="list-style-type: none"> • Law prohibiting bribery • Setting up of Task Force Swift to investigate corruption • Law to make Task Force Swift an independent body 	<ul style="list-style-type: none"> • Even politicians are prosecuted for illegal transactions with a private companies 	<ul style="list-style-type: none"> • Low salary and lack of benefits to public servants and underpaid private employees tempted to bribe

ANTI-CORRUPTION INITIATIVES	FACILITATING FACTORS	HINDERING FACTORS
PHILIPPINES		
<ul style="list-style-type: none"> • Anti-Graft and Corrupt Practices Act • Law on Ethical Standards of Public Officers • Civil Service Law • Anti Red Tape Act of 2007 • Anti Money Laundering Act • Revised Penal Code • Government platform to eradicate corruption • Internal Revenue examiners look into books of private companies in order to suggest improvements on how to properly conduct themselves • There is the <i>Integrity Initiative</i> Information campaign on how to properly deal with law enforcement agencies 	<ul style="list-style-type: none"> • Consistent communication campaign of laws and regulations • Current president is a model of anti-corruption initiatives • Political will of the topmost official, anti-corruption bodies and specialized courts • Increased vigilance and awareness of the private sectors through social media • Internationally accepted accounting principles and the requirement of the conduct of external audit for private businesses • Banks accept only audited financial statements for loan transactions 	<ul style="list-style-type: none"> • Culture is paternalistic, • Values that can be both positive and negative (“give and take” relationship)—accommodation sometimes go beyond what is legal • Lack of education of masses resulting to ignorance of the law • Resource/budgetary constraints to conduct investigation and prosecution of offenders • Delay in the prosecution of cases because of the procedural laws • Clogged court dockets • Absence of clear guidelines on dealing with situations involving corruption • Code of conduct is unheard of for most SMEs • Literacy of SMEs on the requirements of the accounting principles and the cost of compliance • Need to develop advocacies on the part of SMEs--beyond complying is the enforcement • Focus on the profit

ANTI-CORRUPTION INITIATIVES	FACILITATING FACTORS	HINDERING FACTORS
RUSSIA		
<ul style="list-style-type: none"> • Criminal liability for intermediation in bribery • Government adopted a new Anti-Corruption Action Plan for 2012-2013 and ratified international conventions on anti-corruption • Draft law on controlling the expenses of government and state-owned corporations • Existence of pledge and code of conduct among business associations 		
SINGAPORE		
<ul style="list-style-type: none"> • Prevention of Corruption Act • Confiscation of Benefits Act 	<ul style="list-style-type: none"> • Strong political will from the leaders • Support of the leaders and the people 	<ul style="list-style-type: none"> • Increase in complexity of the corruption offenses committed
CHINESE TAIPEI		
<ul style="list-style-type: none"> • Anti-Corruption Act of 1963 • Witness Protection Act of 2000 • Anti-Corruption Informant Reward and Protection Regulation of 1979 • Anti-Corruption body in place 	<ul style="list-style-type: none"> • Dedication of anti-corruption bodies 	<ul style="list-style-type: none"> • Concern of bottom-line or profit among companies
THAILAND		
<ul style="list-style-type: none"> • Enabling Anti-Corruption laws such as the Thai Constitution, Penal Code 157, National Anti-Corruption Commission Organic Law, and rules on unfair competition • Code of Ethics for Public Sector • Strict prohibition of abuse of authority • Government officials cannot receive more than 3,000 Thai Baht (100 US Dollars) in gifts per occasion 	<ul style="list-style-type: none"> • Thai Chamber of Commerce and network of private companies work together for anti-corruption in private sector • SMEs are informed about regulations by a special government unit • High public awareness • Widespread support from Thai citizens 	<ul style="list-style-type: none"> • Deeply-rooted culture of “Tea Money” (grease payment) • Backlogs straining limited staff handling complaints • Whistle blowing law not yet passed • Some of the SMEs are so small that the government cannot get to them • Difficulty to catch the “big fish” in corruption cases

ANTI-CORRUPTION INITIATIVES	FACILITATING FACTORS	HINDERING FACTORS
<ul style="list-style-type: none"> • Existing witness protection program (but no whistleblower program) • Anti-Corruption and anti-conflict of interest programs that capture most provisions of the APEC Code (except provision on charitable contributions) • Active Anti-Corruption drive initiated by the government (business ethics integration and good citizenship program for students) • Pledge of private companies not to pay bribes • Designated Anti-Corruption Day 	<ul style="list-style-type: none"> • Collective action to fight corruption 	
VIETNAM		
<ul style="list-style-type: none"> • Anti-Corruption law passed in 2005 • Vietnam Chamber helps in the promotion and awareness building of anti-corruption initiatives 	<ul style="list-style-type: none"> • Government and chambers working together 	

Existing Anti-Corruption Approaches and Initiatives in APEC Member Economies

The results of the breakout workshops are consistent with the findings of the Baseline Study that most APEC economies have already put in place policies, programs, management systems, and strategies that are aligned with the provisions of the APEC Code. Aside from laws enacted to criminalize acts of bribery and other instances of corruption, several economies also cited the existence of codes of conduct for both the public and private sector. In some economies, special bodies were established and mandated to take punitive and preventive action against corruption. Common strategies undertaken by governments include special campaigns, education and training interventions, and mobilization of the civil society including the private enterprises to counter corruption in the private sector.

Workshop participants often cited their government's strong political will as a facilitating factor in the implementation of anti-corruptions policies and programs. More so, when anti-corruption is a priority issue in the economy, different branches of the government work

together and encourage active involvement of civil society, including the private sector, NGOs, media, and the public. Participants also shared that the public is more willing to cooperate when government leaders are exemplar models in the fight against corruption.

Other facilitating factors that surfaced during the discussions include the independence of anti-corruption bodies ensuring the prosecution even of offenders who are in positions of power. Lastly, participants also cited the increased vigilance and awareness of the public because of the accessibility of information on the Internet and the advent of social media.

Workshop participants also identified some of the factors that serve as roadblocks in the implementation of anti-corruption policies and programs. The absence of enabling mechanisms such as clear-cut policies and guidelines in dealing with situations involving corruption remain to be a major constraint in implementation. For instance, the absence of whistleblowing policies and witness-protection programs, coupled with the lack of trust on anti-corruption agencies and authorities, intensify fear of reporting possible cases of corruption.

In addition, participants cited the increasing complexity of anti-corruption cases, which delays the investigation and prosecution of offenders. The latter concerns were also attributed to complex procedural laws, clogged court dockets, and limited number of personnel handling corruption cases. Resource and budgetary constraints were often identified as the main reason for delays.

For some participants, the paternalistic culture and the tradition of gift-giving remain to be hindrances in implementing anti-corruption programs and policies. But to others, it is the focus on profits that tempt enterprises to use corrupted means in order to achieve their ends. Still, there were participants who maintained that the low salary and lack of benefits for the public servants as well as private employees make them vulnerable to corruption. Nonetheless, the workshop participants agreed on the need to develop advocacy on the part of enterprises when it comes to fighting corruption—because beyond compliance to existing laws and policies is building a culture of social responsibility.

Recommendations

After laying down the existing approaches in fighting corruption and identifying factors that facilitated and/or hindered efficient implementation of anti-corruption policies and programs, the delegates provided recommendations to improve the implementation of anti-corruption efforts within APEC economies.

Participants underscored the importance of visionary leadership for the effective implementation of anti-corruption initiatives. They suggested the continuous education and information campaign to counter corruption and bribery as well as the integration of anti-corruption principles and lessons in the education curriculum. In relation, tax administration should be improved and enterprises should be mandated to adopt international standards in accounting and bookkeeping.

Workshop participants agreed that the government and business sectors should advocate and promote the APEC Code. More importantly, public-private partnership is essential to its efficient and effective implementation. International cooperation among APEC-member economies should be fostered to facilitate the sharing of anti-corruption tools and best practices. Furthermore, volunteerism among stakeholders in promoting and monitoring the implementation of the APEC Code is indispensable in identifying new strategies to cope with the changing times.

Closing Ceremony

To conclude the *Forum on the Implementation of the APEC Anti-Corruption Code of Conduct for Business*, participants recited the *Pledge of Support Against Corruption* (see Box 4).

Afterwards, the Project Overseer, Atty. Maricel Marcial-Oquendo, spearheaded the ceremonial turnover of the knowledge products of the project to the APEC Secretariat. The ceremony intended to show support to the APEC Code, a code of guiding principles for a region free of corruption. Atty. Marcial-Oquendo demonstrated the importance of technology as a tool towards effective sharing of experiences on fighting corruption among APEC member economies.

In her closing remarks, Ms. Pacita Juan of the Women's Business Council of the Philippines likewise underscored the importance of technology and social media as a platform for sharing and learning from the anti-corruption initiatives of APEC member economies and worldwide. She formally closed the event by challenging the delegates to keep on championing the anti-corruption battle cry in their own economies.

Box 4. Pledge of Support Against Corruption

Recognizing that corruption serves as a significant obstacle in achieving meaningful social and economic development, we, as representatives of APEC-member economies, reiterate our commitment to enhance transparency and accountability in the private sector. We reaffirm our pledge to promote the APEC Anti-Corruption Code of Conduct for Business, which guides enterprises in combating corruption. Its effective implementation is fundamental to reducing the vulnerabilities of the private sector to bribery. This, together with our continuous partnerships with stakeholders, shall not only build private institutions imbued with integrity but also contribute to growth and greater prosperity beyond our respective economies. We resolve to undertake concrete steps to realize the objectives of the APEC Anti-Corruption Code of Conduct for Business. We will work together in pursuing programs that promote the Code and gain the support of private enterprises against corruption. Our unparalleled and unwavering dedication to implement APEC anti-corruption principles shall direct us towards gaining significant strides in nurturing good governance and fostering economic growth in the Asia-Pacific region.

OPERATIONAL PROGRAM

Addressing corruption requires multi-sectoral initiatives and cooperation. This can be seen from the experience of many organizations and economies that have been successful in their anti-corruption efforts mainly because they have been the product of collective action.

Along this line, the DAP, as Forum Secretariat, proposes the following Operational Program drawn from the results of the Baseline Study as well as the rich exchange of thoughts and discussions during the two-day Forum in Manila. The proposed program seeks to cascade and improve the implementation of the APEC Code at the national, business association, and enterprise levels of APEC economies.

Regional-Level Operational Program

The proposed regional-level operational program focuses on the integration and harmonization of existing anti-corruption initiatives that promote the provisions of the APEC Code. It is envisioned that internationally agreed goals and standards on anti-corruption will serve as pressure from the international community and encourage the prioritization of anti-corruption issues, thus facilitating economic integration among APEC economies.

Table 4. Regional-Level Operational Program

PROPOSED ACTIVITY	RESPONSIBLE AGENCY
Conduct of regular meetings, fora, workshops, and seminars that focus on specific corruption issues in the private sector and sharing of information and experiences in implementing the APEC Anti-Corruption Code of Conduct for Business	APEC Secretariat & APEC Anti-Corruption and Transparency Working Group
Documentation of the best practices in combating corruption in or related to businesses	APEC Secretariat & APEC Anti-Corruption and Transparency Working Group
Harmonization of macro and micro action plans on anti-corruption in the private sector of APEC member economies	APEC Anti-Corruption and Transparency Working Group
Development of key performance indicators (KPI) for initiatives in eradicating private sector corruption in the Asia-Pacific region	APEC Anti-Corruption and Transparency Working Group
Development of learning tools or information, education, and communication (IEC) materials for government agencies, business associations, and private enterprises to use in combating corruption in the private sector	APEC Anti-Corruption and Transparency Working Group

PROPOSED ACTIVITY	RESPONSIBLE AGENCY
Mentoring program for anti-corruption bodies and business associations in APEC member economies	APEC Anti-Corruption and Transparency Working Group
Monitoring and evaluation of APEC anti-corruption initiatives in the private sector	APEC Secretariat & APEC Anti-Corruption and Transparency Working Group

Although the societal context of APEC economies vary, the harmonization of macro and micro level action plans in fighting corruption in the private sector will facilitate the development of regional key performance indicators and monitoring and evaluation tools which may be adopted by government agencies, business associations, and enterprises.

Through established networks and partnerships with anti-corruption bodies worldwide, documenting and disseminating best anti-corruption strategies and practices will help APEC member economies in developing and implementing their own anti-corruption programs and policies. Moreover, the conduct of regular anti-corruption meetings, fora, workshops and seminars that will involve representatives from the SME sector will not only increase the level of awareness and understanding of corruption issues but will also cultivate unity and cooperation among the major stakeholders of the APEC Code.

Economy-Level Operational Program

As governments have the resources and authority to implement programs for the common good, the proposed operational program to be implemented at the economy level focuses on the enactment of laws and policies that support and are consistent with the provisions of the APEC Code.

The operational program also encourages collaborative efforts among the government, civil society organizations, and business associations on awareness-raising and capability-building activities for private enterprises and the general public. In addition, trust-building activities and consultative meetings to enhance public perception on government and anti-corruption bodies are proposed to facilitate the smooth implementation of anti-corruption programs and initiatives.

Lastly, the program aims to complement the prosecution and punishment of offenders with the establishment of a recognition and reward system for innovative approaches and best practices of business associations and enterprises in relation to fighting corruption.

Table 5. Economy-Level Operational Program

PROPOSED ACTIVITY	RESPONSIBLE AGENCY
Conduct of consultative meetings with international anti-corruption agencies, local civil society organizations, business associations, and private enterprises to develop a legal anti-corruption framework for eradicating corruption in the private sector	Inter-government agencies and anti-corruption bodies in collaboration with civil society organizations, business associations , and private enterprises
Establishment of network and partnerships with international anti-corruption bodies, local civil society organizations, business associations, and private enterprises for the monitoring and review of initiatives to eradicate corruption in the private sector	Government agencies and anti-corruption entities
Enactment of enabling laws that promote and support the provisions of the APEC Anti-Corruption Code of Conduct for Business (e.g., criminalization of bribery, special rules on investigation of cases of corruption, witness protection for whistleblowers, etc.)	Legislature, parliament or equivalent
Development of key performance indicators for initiatives and programs to eradicate corruption in the private sector	Inter-government agencies and anti-corruption bodies in collaboration with civil society organizations and business associations
Development of monitoring and evaluation tools and instruments for policies and programs intended to eradicate corruption in the private sector	Inter-government agencies and anti-corruption bodies in collaboration with civil society organizations and business associations
Installation of feedback mechanisms particularly catering to international anti-corruption bodies, local civil society organizations, business associations, private enterprises, and the general public for the improvement of plans, programs, and strategies to fight private sector corruption	Government agencies and anti-corruption entities
Conduct of awareness-raising and capacity-building programs and activities to reduce enterprises' vulnerability to corruption	Government agencies and anti-corruption entities in collaboration with civil society organization, business associations and enterprises
Facilitation of sharing of experiences and best anti-corruption practices between local anti-corruption organizations, business associations, and private enterprises	Government agencies and anti-corruption entities
Establishment of recognition and reward system for associations with innovative strategies on fighting corruption as well as enterprises that exemplify ethics and integrity	Government agencies and anti-corruption entities

PROPOSED ACTIVITY	RESPONSIBLE AGENCY
Signing in local pacts, pledges of support, or declarations of commitment by civil society groups, business associations, and enterprises to eradicate corruption	Government agencies and anti-corruption entities

Business Association-Level Operational Program

With business associations having more leverage to influence their member companies, the proposed operational program on the business-association level centers on the alignment of business association rules and regulations to the APEC Code. Organized business groups advocating for a corrupt-free private sector will not only encourage foreign investments but will also invigorate domestic entrepreneurs to put up businesses knowing that efforts are being made to level-off the playing field for small and large businesses.

While many business associations are already joining the anti-corruption bandwagon, their commitment should extend to the enforcement of anti-corruption laws and having zero-tolerance to breaches thereof. Business associations with very practical knowledge in the operation of their members are in the best position to provide insights on improving the anti-corruption strategies implemented by governments. Likewise, they can serve as direct link between governments and enterprises.

Given the potential contributions of business associations, they should be mobilized and maximized to become proactive agents in the fight against corruption.

Table 6. Business Association-Level Operational Program

PROPOSED ACTIVITY	RESPONSIBLE AGENCY
Alignment of association rules and regulations with the APEC Anti-Corruption Code of Conduct for Business	Business Association
Designation of an officer or establishment of special committee on corporate governance to develop, implement, monitor, and evaluate anti-corruption policies and program conducted by the association	Business Association
Establishment of network and partnerships with international and local anti-corruption bodies, civil society organizations, business associations, and private enterprises for joint implementation of programs, projects, and activities to eradicate corruption in the private sector	Business Association

PROPOSED ACTIVITY	RESPONSIBLE AGENCY
Conduct of awareness-raising and capacity-building programs and activities on Ethics and Integrity for association members	Corporate Governance Committee or equivalent
Assistance to member enterprises in formulating their own codes of conduct that are in line with the APEC Code	Corporate Governance Committee or equivalent
Facilitation of sharing of experiences and best anti-corruption practices between local civil society organizations, business associations, and private enterprises	Corporate Governance Committee or equivalent
Monitoring and evaluation of the compliance of members with the association's anti-corruption rules and regulations	Corporate Governance Committee or equivalent
Establishment of recognition and reward system for enterprises that exemplify ethics and integrity as well as a disincentive system for those proven to have been involved in corrupt practices	Business Association
Installation of feedback mechanisms particularly catering to government and non-government anti-corruption bodies, association members, consumer groups, and the general public for the improvement of the enterprise's anti-corruption plans, programs, and strategies	Business Association
Active participation in activities of international and local anti-corruption bodies, civil society groups, other business associations, and member enterprises to eradicate corruption in the private sector	Business Association

Enterprise-Level Operational Program

The enterprise-level operational program is a reiteration of the provisions of the APEC Code. However, it also proposes to institutionalize anti-corruption principles in the business by establishing a special unit to develop, implement, monitor, and evaluate related policies and program conducted by the enterprise—which also include guiding and protecting employees who have come forward to report corrupt offenses.

The real measure of the effectiveness of anti-corruption policies and programs lies in shade-free business transactions. But to achieve this, enterprises, especially SMEs, need to take a proactive role in the fight against corruption.

Table 7. Enterprise-Level Operational Program

PROPOSED ACTIVITY	RESPONSIBLE AGENCY
Designation of an officer or establishment of a corporate governance committee or unit to develop, implement, monitor, and evaluate anti-corruption policies and program conducted by the enterprise.	Enterprise
Consultative meeting with employees for practical knowledge on the enterprises' own risk to anti-corruption	Corporate Governance Unit or equivalent
Establishment of company rules and regulations that are in line with the APEC Anti-Corruption Code of Conduct for Business.	Enterprise's board of directors or equivalent
Conduct of awareness-raising and capacity-building programs and activities on Ethics and Integrity for company employees.	Corporate Governance Unit or equivalent
Installation of feedback mechanisms particularly catering to employees, agents, business partners, clients, and consumers for the improvement of the enterprise's anti-corruption plans, programs, and strategies	Corporate Governance Unit or equivalent
Establishment of network and partnerships with government and non-government anti-corruption bodies, civil society organizations, business associations, and other enterprises for joint programs and activities to eradicate corruption in the private sector	Enterprise
Adoption of international standards and procedures in accounting	Enterprise
Monitoring and evaluation of the departments and employees' compliance with the company's anti-corruption rules and regulations	Corporate Governance Unit or equivalent and internal/external auditors

FORUM EVALUATION

The participants were asked to evaluate the event through a self-administered evaluation survey. On a scale of one to five (1 being 'bad;' 2 being 'not good;' 3 being 'satisfactory;' 4 being 'good;' and 5 being 'excellent'), the participants rated several aspects of the forum.

The Overall Project

Fifty percent of the participants gave the project an excellent rating. Forty percent of them generally rated the project as good. By and large, the participants were satisfied with the outcome of the project. They said that the event has been useful in creating a venue for sharing best practices on anti-corruption among APEC economies. On the average, the participants rated the project 4.4.

Facilitators

Forty-five percent of the participants rated the facilitators as excellent. Another 45 percent rated them as good. Most of the participants found the facilitators capable of generating smooth discussions and eliciting responses from the participants. Facilitators also displayed vast knowledge on the topic making them very credible sources of information. Overall, the facilitators were rated 4.4.

Objectives

In general, participants claimed that the objectives of the forum were met that is why it garnered a rating of 4.1. Although some participants expressed that it could have been better if formalities were minimized so that more time can be devoted to actual discussions and exchanges of thoughts. Seventy percent of the participants rated the achievement of objectives as good.

Participants

The appropriateness of the participants got a 4.2 rating. The participants were pleased that all of them shared openly during the discussions. However, some felt that it could have been helpful if more participants were invited so that there will be more fruitful exchanges among APEC member-economies.

The Presentations

Participants were also asked to determine the usefulness of the forum presentations. They were asked to determine if they were:

- Very useful
- Somewhat useful
- Not useful

Overall, 82 percent of the delegates regarded the forum presentations as very useful. In particular, the presentations on the UN Global Compact and the Results of the Baseline Study garnered the highest usefulness rating of 90 percent. The other presentations were rated as 65 to 85 percent useful. Some participants expressed that the presentations in the forum were too general. It could have been more helpful if the speakers presented the findings on a more micro level perspective.

SYNTHESIS

It was established in the *Forum on the Implementation of the APEC Anti-Corruption Code of Conduct for Business* held on 20-21 September 2012 in Manila, Philippines that corruption is more than just the failure of an individual to uphold moral and ethical standards in conducting business. It is a breakdown of institutions which leads to revenue losses and cripples the social and economic development of societies. While indicators of corruption and bribery vary from one APEC economy to another, there is a common understanding that corruption in the private sector poses a major threat to the entire Asia-Pacific region.

SMEs which comprise majority of the firms worldwide are significant economic contributors in terms of the number of people they employ. As pointed out, the engagement of SMEs in corrupt practices significantly hamper SME development as well as the ability of their economies to pursue development goals.

Recognizing this challenge, APEC Leaders have endorsed the APEC Code for Conduct for Business in 2007. In 2009, pathfinder projects on the implementation of the APEC Code were launched in the economies of Australia, Chile, and Viet Nam. The experiences of the pilot economies as well as of the People's Republic of China, Malaysia, and the Philippines shared on the first day of the Forum proved that while various economies may have the same goals and objectives in eradicating corruption, a lot of factors such as societal context and support from stakeholders affect the implementation of programs.

Several provisions of the APEC Code are already in place in the 17 member economies reviewed in the Baseline Study. Though, the level of implementation of each code provision varies per economy. Moreover, corruption in the private sector remains to be a blind spot in most anti-corruption legislations, program, and policies. While laws and policies may be applicable to both the public and private sector, they usually pertain to cases of private individuals or enterprises bribing government officials or employees. In addition, while private enterprises already implement policies, programs, and practices aligned with the APEC Code, it was observed that most of these policies and programs are in compliance with the rules and regulations of business associations or chambers of commerce that they belong to. In fact, even though more and more companies are adopting anti-corruption standards and principles, effective implementation remains a challenge to all. Nevertheless, the presence of robust corporate anti-bribery programs and the availability of tools and support mechanisms promote the continued fight against corruption and bribery in the region.

The project recommends that business associations promote the adoption of the APEC Code, considering their leverage in influencing their member companies to join the global campaign against corruption. Best practices in encouraging member companies to adopt

ethical corporate management principles should serve as good examples that may be emulated by APEC member economies.

Enterprises, on the other hand, are encouraged to post their anti-corruption policies and programs, especially codes of conduct, on their websites to heighten public awareness on such initiatives. Aside from corporate annual reports, enterprises should also be encouraged to prepare corporate responsibility reports showcasing their integrity initiatives including, but not limited to, the adoption of the APEC Code.

Consumer groups may also be involved to serve as watchdogs against unethical conduct or practices of private companies.

Lastly, the continuous monitoring of the implementation of the APEC Code or of policies and programs consistent with its provisions among member-economies is highly recommended. This is necessary in order to come up with meaningful programs to promote its implementation.

The Baseline Study conducted prior to the Forum proved to be an important component of the project. It assessed the extent to which the member-economies have put in place policies, programs, management systems, and strategies that are aligned with the provisions of the APEC Code. Through the study, the participants of the Forum were able to come up with more informed and grounded suggestions for the Operational Program.

The Forum served as a venue for the sharing of experiences and best anti-corruption practices among APEC economies. Participants were also able to seek advice from expert speakers regarding effective implementation of the APEC Code. There is value in creating this space for APEC member-economies as it allowed them to express their perspectives and views on the APEC Code. Participants were engaged to put forward critical issues, confront prevailing conditions, and seek appropriate solutions in eradicating private sector corruption.

The Operational Program was developed from the lessons learned from the Baseline Study and the discussions during the Forum. The challenge now for the member economies is to re-echo the broad strokes outlined in the Operational Program and come up with specific time-bound activities to achieve the goal of restraining corruption in the private sector. Thus, the proposed programs and strategies should be further developed and transformed into implementable form. A possible next step for APEC is to create its own monitoring tool that gauges or measures the quality and impact of the work of the member economies in fighting corruption.

ENDNOTES

- ¹ Members of the Asia-Pacific Economic Cooperation (APEC) were referred to as 'member economies' or 'members' or 'economies' in the document. The report refrained from using the terms 'nation', 'national' or 'country' in adherence to the accepted nomenclature within the organization. However, the terms 'country' or 'countries' were retained in quoted texts or colloquial terminologies such as 'developing countries' to avoid confusion.
- ² Asia-Pacific Economic Cooperation (APEC) Anti-Corruption and Transparency Working Group, <http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Anti-Corruption-and-Transparency.aspx> (accessed on September 2012).
- ³ Transparency International, *Global Corruption Report 2009: Corruption and the Private Sector* (2009).
- ⁴ Ibid.
- ⁵ Global Development Research Center: Resources for SMEs, www.gdrc.org/sustbiz/for-sme.html (accessed on September 2012).
- ⁶ United Nations Office on Drugs and Crime (UNODC) and United Nations Industrial Development Organization (UNIDO), *Corruption Prevention to Foster Small and Medium-Sized Enterprise Development*, (2007), www.unodc.org (accessed on September 2012).
- ⁷ Global Development Research Center : Resources for SMEs, www.gdrc.org/sustbiz/for-sme.html (accessed on September 2012).
- ⁸ Asia-Pacific Economic Cooperation (APEC). *APEC Anti-Corruption Code of Conduct for Business*, 2007.
- ⁹ Based on the three data-gathering methods of the study, anti-bribery laws are in place in 16 out of the 17 economies reviewed. Though, upon verification, New Zealand enacted the *Secret Commissions Act 1910* and *Crimes Act of 1961*, thus making the code provision *Prohibition of Bribery* in place in all of the APEC economies subject to the baseline study (retrieved from <http://www.nzeco.govt.nz/antibribery/legislation> accessed October 2012).
- ¹⁰ Asian Development Bank and Organization of Economic Cooperation and Development Anti-Corruption Initiative for Asia and the Pacific. *The Criminalisation of Bribery in Asia and the Pacific Frameworks and Practices in 28 Asian and Pacific Jurisdictions Thematic Review*. Final Report. www.oecd.org/site/anti-corruptioninitiative/46485272.pdf (accessed on September 2012); Global Advice Network, *Business Anti-Corruption Portal*, <http://www.business-anti-corruption.com/> (accessed on September 2012).
- ¹¹ Global Advice Network, *Business Anti-Corruption Portal*, <http://www.business-anti-corruption.com/> (accessed on September 2012).
- ¹² UEM Land Holdings, "Corporate Responsibility Report", <http://www.ueland.com/> (accessed in September 2012)
- ¹³ Global Advice Network, *Business Anti-Corruption Portal*, <http://www.business-anti-corruption.com/> (accessed on September 2012).
- ¹⁴ Ibid.
- ¹⁵ Ibid.
- ¹⁶ Ibid.
- ¹⁷ World Bank. *Enterprise Surveys*, <http://www.enterprisesurveys.org> as cited in Global Advice Network, "Business Anti-Corruption Portal," <http://www.business-anti-corruption.com/> (accessed on September 2012).
- ¹⁸ Boston Beer, "Code of Conduct", <http://www.bostonbeer.com> (accessed September 2012).
- ¹⁹ Ricoh Company, "Code of Conduct" as cited in the Philippine Trade & Investment Center-Tokyo's response to the Implementation of the APEC Code of Conduct for Business online survey, August 2012.
- ²⁰ Miclyn Express Offshore, "Code of Conduct", <http://www.miclynexpressoffshore.com> (accessed September 2012).
- ²¹ Qualitech Public Company, "Corporate Governance", <http://www.qualitechplc.com/> (accessed September 2012).
- ²² Boston Beer, "Code of Conduct", <http://www.bostonbeer.com> (accessed September 2012).
- ²³ The Control Yuan Republic of China (Taiwan), <http://www.cy.gov.tw> (accessed September 2012).
- ²⁴ Boston Beer, "Code of Conduct", <http://www.bostonbeer.com> (accessed September 2012).
- ²⁵ Miclyn Express Offshore, "Code of Conduct" <http://www.miclynexpressoffshore.com> (accessed September 2012).
- ²⁶ SM Development Corporation, <http://smdevelopment.com/smdc/> (accessed September 2012).
- ²⁷ Global Advice Network, *Business Anti-Corruption Portal*, <http://www.business-anti-corruption.com/> (accessed on September 2012). Note: The same finding surfaced in the 2012 Social Weather Stations Survey of Enterprises on Corruption.

ANNEXES

ANNEX A. BASELINE TOOL



Asia-Pacific
Economic Cooperation

BASELINE TOOL

Report on the Status of Implementation of the APEC Anti-Corruption Code of Conduct for Business by Member Economies

Member Economy	
Name of Informant	
Position of Informant	
Name of Enterprise of Informant	
Type of Industry¹	
Enterprise Contact Details²	
Size of Informant's Enterprise³	
Scale of Informant's Enterprise⁴	

¹ Type of industry refers to the nature of business, commercial or industrial activity engaged in by the informant's enterprise.

² Contact details include the mailing address of the enterprise, website, and contact numbers.

³ Enterprise size refers to the total number of employees of the business or total membership in the institution or enterprise.

⁴ Scale of the enterprise refers to the geographical spread of the enterprise and is either (1) National or Federal; (2) State; (3) Sub-state or local (provincial, city, county, municipal, etc.); or (4) Individual enterprise.

Code Provision 2

Program to Counter Bribery

1st par. The enterprise, in consultation with employees, should develop a program, reflecting its size, business sector, potential risks and locations of operation that clearly and in reasonable detail articulates values, policies and procedures to be used to prevent bribery from occurring in all activities under its effective control.

Is the code provision being implemented in your enterprise?

☐ **Yes, in full** ☐ **Yes, in part** ☐ **No** ☐ **No info available**

If Yes, cite some sources for verification of your response. If No, what assistance is needed to implement the provision?

2nd par. The Program should be consistent with all laws relevant to countering bribery in all the jurisdictions in which the enterprise operates. It should apply to all controlled subsidiaries, foreign and domestic.

Is the code provision being implemented in your enterprise?

☐ **Yes, in full** ☐ **Yes, in part** ☐ **No** ☐ **No info available**

If Yes, cite some sources for verification of your response. If No, what assistance is needed to implement the provision?

Code Provision 3A**Scope and Guidelines****A. Charitable Contributions**

The enterprise should ensure that charitable contributions and sponsorships are not used as a subterfuge for bribery, and all charitable contributions and sponsorships should be transparent and made in accordance with applicable domestic law.

Is the code provision being implemented in your enterprise?

☐ **Yes, in full** ☐ **Yes, in part** ☐ **No** ☐ **No info available**

If Yes, describe how the provision has been enforced.⁵ Cite some sources for verification of your response.

If No, what assistance is needed to implement the provision?

⁵ Cite some information or statistics on the sanctions imposed for violation and other management action pertinent to the provision.

Code Provision 3B

Scope and Guidelines

B. Gifts, Hospitality and Expenses

The enterprise should prohibit the offer or receipt of gifts, hospitality or expenses whenever such arrangements would be in violation of applicable domestic law.

Is the code provision being implemented in your enterprise?

☐ ***Yes, in full*** ☐ ***Yes, in part*** ☐ ***No*** ☐ ***No info available***

If Yes, describe how the provision has been enforced. Cite some sources for verification of your response.

If No, what assistance is needed to implement the provision?

Code Provision 3C**Scope and Guidelines****C. Facilitation Payments**

Recognizing that facilitation payments are prohibited under the anti-bribery laws of most countries, enterprises should eliminate them. Facilitation payments, also called 'facilitating', 'speed' or 'grease' payments are small payments made to secure or expedite the performance of a routine action to which the enterprise is entitled.

Is the code provision being implemented in your enterprise?

☐ **Yes, in full** ☐ **Yes, in part** ☐ **No** ☐ **No info available**

If Yes, describe how the provision has been enforced. Cite some sources for verification of your response.

If No, what assistance is needed to implement the provision?

Code Provision 3D

Scope and Guidelines

D. Political Contributions

The enterprise, its employees or intermediaries, should not make direct or indirect contributions to political parties, party officials, candidates, organizations or individuals engaged in politics, as a subterfuge for bribery.

All political contributions should be transparent and made only in accordance with applicable law. The Program should include controls and procedures to ensure that improper political contributions are not made.

Is the code provision being implemented in your enterprise?

☐ **Yes, in full** ☐ **Yes, in part** ☐ **No** ☐ **No info available**

If Yes, describe how the provision has been enforced. Cite some sources for verification of your response.

If No, what assistance is needed to implement the provision?

Code Provision 4A***Program Implementation Requirements******A. Business Relationships***

The enterprise should prohibit bribery in all business transactions that are carried out directly or through third parties, specifically including subsidiaries, joint ventures, agents, representatives, consultants, brokers, contractors, suppliers or any other intermediary under its effective control.

Has your enterprise adopted this provision in its operation?

☐ ***Yes, in full*** ☐ ***Yes, in part*** ☐ ***No*** ☐ ***No info available***

If Yes, cite some sources for verification of your response. If No, what assistance is needed to implement the provision?

Code Provision 4B***Program Implementation Requirements******B. Communication***

The enterprise should establish effective internal and external communication of the Program.

The enterprise should publicly disclose its Program for countering bribery.

The enterprise should be open to receiving communications from relevant interested parties with respect to the Program.

Has your enterprise adopted this provision in its operation?

☐ ***Yes, in full*** ☐ ***Yes, in part*** ☐ ***No*** ☐ ***No info available***

If Yes, cite some sources for verification of your response. If No, what assistance is needed to implement the provision?

Code Provision 4C

Program Implementation Requirements

C. Leadership

The Board (or equivalent) and the CEO should play a role in the launching of the Program and demonstrate ownership and commitment to the Code and Program.

Has your enterprise adopted this provision in its operation?

☐ **Yes, in full** ☐ **Yes, in part** ☐ **No** ☐ **No info available**

If Yes, cite some sources for verification of your response. If No, what assistance is needed to implement the provision?

Code Provision 4D

Program Implementation Requirements

D. Financial Recording and Auditing

The enterprise should develop and maintain appropriate financial reporting mechanisms that are accurate and transparent as well as internal mechanisms for monitoring and controlling of the financial reporting system in accordance with internationally recognized accounting standards.

Has your enterprise adopted this provision in its operation?

☐ **Yes, in full** ☐ **Yes, in part** ☐ **No** ☐ **No info available**

If Yes, cite some sources for verification of your response. If No, what assistance is needed to implement the provision?

Code Provision 4E***Program Implementation Requirements******E. Human Resources***

Recruitment, promotion, training, performance evaluation, and recognition should reflect the enterprise's commitment to the Program.

The human resource policies and practices relevant to the Program should be developed and undertaken in consultation with employees, and employee representative bodies, as appropriate.

The enterprise should make clear that compliance with the Program is mandatory and that no employee will suffer demotion, penalty or other adverse consequences for refusing to pay bribes even if it may result in the enterprise losing business.

The enterprise should apply appropriate sanctions for violations of the Program, up to and including termination, in appropriate circumstances.

Has your enterprise adopted this provision in its operation?

☐ **Yes, in full** ☐ **Yes, in part** ☐ **No** ☐ **No info available**

If Yes, cite some sources for verification of your response. If No, what assistance is needed to implement the provision?

Code Provision 4F

Program Implementation Requirements

F. Raising Concerns and Seeking Guidance

The Program should encourage employees and others to raise concerns and report suspicious circumstances to responsible enterprise officials as early as possible.

To this end, the enterprise should provide secure and accessible channels through which employees and others can raise concerns and report suspicious circumstances ('whistleblowing') in confidence and without risk of reprisal.

These channels should also be available for employees and others to seek advice or suggest improvements to the Program. As part of this process, the enterprise should provide guidance to employees and others on applying the Program's rules and requirements to individual cases.

Has your enterprise adopted this provision in its operation?

☐ ***Yes, in full*** ☐ ***Yes, in part*** ☐ ***No*** ☐ ***No info available***

If Yes, cite some sources for verification of your response. If No, what assistance is needed to implement the provision?

Code Provision 4G***Program Implementation Requirements******G. Monitoring and Review***

Senior management of the enterprise should monitor the Program and periodically review the Program's suitability, adequacy and effectiveness and implement improvements as appropriate. They should periodically report to the Audit Committee or the Board the results of the Program review.

The Audit Committee or the Board should make an independent assessment of the adequacy of the Program and disclose its findings in the Annual Report to shareholders.

Has your enterprise adopted this provision in its operation?

☐ ***Yes, in full*** ☐ ***Yes, in part*** ☐ ***No*** ☐ ***No info available***

If Yes, cite some sources for verification of your response. If No, what assistance is needed to implement the provision?

Code Provision 4H

Program Implementation Requirements

H. Training

The enterprise should aim to create and maintain a trust based and inclusive internal culture in which bribery is not tolerated.

Managers, employees and agents should receive specific training on the Program, tailored to relevant needs and circumstances.

*Where appropriate, contractors and suppliers should receive training on the Program.
Training activities should be assessed periodically for effectiveness.*

Has your enterprise adopted this provision in its operation?

☐ ***Yes, in full*** ☐ ***Yes, in part*** ☐ ***No*** ☐ ***No info available***

If Yes, cite some sources for verification of your response. If No, what assistance is needed to implement the provision?

Code Provision 4I***Program Implementation Requirements******I. Organisation and Responsibilities***

The Board (or equivalent) should be satisfied that an effective program has been developed and implemented.

The Board (or equivalent) should also be satisfied that the Program is reviewed for effectiveness and, when shortcomings are identified, that appropriate corrective action is taken.

The Chief Executive Officer (or equivalent) is responsible for seeing that the Program is implemented effectively with clear lines of authority. Depending on the size of the enterprise, consideration should be given to making the day to day operation and breaches of the code the role of a senior officer of a company.

Has your enterprise adopted this provision in its operation?

☐ **Yes, in full** ☐ **Yes, in part** ☐ **No** ☐ **No info available**

If Yes, cite some sources for verification of your response. If No, what assistance is needed to implement the provision?

ANNEX B. LIST OF WEBSITES REVIEWED

AUSTRALIA	
Tox Free Solutions	http://www.toxfree.com.au/
Webjet	http://www.webjet.com.au/
Grange Resources	http://www.grangeresources.com.au/
Mineral Resources	http://www.mineralresources.com.au/
GR Engineering Services	http://www.gres.com.au/
Maca	http://www.maca.net.au/
HONG KONG, CHINA	
SinoMedia Holding	http://www.sinomedia.com.hk/en/index.asp
Tianneng Power International	http://www.tianneng.com.hk/html/index.php
Golden Eagle Retail Group	http://www.geretail.com/aboutus/history.php
Crystal-Optech (Zhejiang)	http://www.crystal-optech.com/english/about.asp
KingTeller Technology (Guangzhou)	http://www.kingteller.co/main/index.asp
Zhangzidao Fishery Group (Dalian)	http://www.zhangzidao.com/indexe.asp
INDONESIA	
London Sumatra Indonesia	http://www.londonsumatra.com/main.aspx?lang=en
Resource Alam Indonesia	http://www.raintbk.com/
Metropolitan Land	http://metropolitanland.com/home/index.php
Consciencefood Holding	http://consciencefood.com/
JasuindoTiga Perkasa	http://www.jasuindo.co.id/
Harum Energy	http://www.harumenergy.com/
JAPAN	
Meisei Electric	http://www.meisei.co.jp/english/
REPUBLIC OF KOREA	
Gamevil	http://us.gamevil.com/
KINX	http://www.kinx.net/eng/
SFA Engineering	http://www.sfa.co.kr/en/
Kookje Electric Korea	http://www.kekorea.co.kr/eng/

MALAYSIA	
MSM Malaysia Holdings	http://www.msmholdings.com/
UEM Land Holdings	http://www.uemland.com/
EA Holdings	http://www.eah.com.my/
Boilermech Holdings	http://www.boilermech.com/
Digistar	http://www.digistar.com.my/
Xingquan International Sports Holdings	http://www.xingquan-international.com/
NEW ZEALAND	
NZX	http://www.nzxgroup.com/
THE PHILIPPINES	
Philex Mining	http://www.philexmining.com.ph/
SM Development	http://smdevelopment.com/smdc/
Philweb	http://www.philweb.com.ph/
SINGAPORE	
Miclyn Express Offshore	http://www.miclynexpressoffshore.com/
Kreuz Holdings	http://www.kreuzsubsea.com/
LianBeng Group	http://www.lianbeng.com.sg/
Sino Grandness Food Industry Group	http://www.grandnessgroups.com/en/main.aspx
CHINESE TAIPEI	
Sunflex Tech	http://www.sunflex.com.tw/
Eclat Textile	http://www.eclat.com.tw
Apex Biotechnology	http://www.apexbio.com/
Taiwan Benefit	http://www.taibeco.com/en/zpxx.asp
Test Research	http://www.tri.com.tw/en/index.aspx
ZengHsing Industrial	http://www.zenghsing.com.tw/
THAILAND	
United Palm Oil Industry	http://www.upoic.co.th/aboutus/index_en.php
Lanna Resources	http://www.lannar.com/
Master Ad	http://www.masterad.com/eng/about.php
Qualitech	http://www.qualitechplc.com/

THE UNITED STATES	
Jos. A. Bank Clothiers	http://www.josbank.com
NIC	http://www.egov.com
Opnet Technologies	http://www.opnet.com/
Boston Beer	http://www.bostonbeer.com
Hawkins	http://www.hawkinsinc.com/
Air Methods	http://www.airmethods.com/
VIET NAM	
BinhDinh Minerals	http://www.bimico.vn/
DHG Pharmaceutical	http://www.dhgpharma.com.vn/dhgen/
Mekong Fisheries	http://www.mekongfish.vn/en/AboutUs.asp
Vietnam Container Shipping	http://www.viconship.com/index.php?lang=english
Societe De Bourbon TayNinh	http://www.bourbontn.com/en/

ANNEX C. TABULATION OF RESEARCH FINDINGS PER ECONOMY

AUSTRALIA		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> The Division 141.1 and Division 70.2 of the Criminal Code Act prohibit bribery of public officials. The law identifies specific penalties if the crime is committed by an individual or by a corporate body. 	Website Review and “The Criminalization of Bribery in Asia and the Pacific”
2. Program to Counter Bribery		
3. Scope and Guidelines		
Gifts, Hospitality and Expenses	<ul style="list-style-type: none"> Gifts, prizes and entertainment must be free of any suggestions of bribery or secret commissions and must not compromise the company or its business associates. Gifts, prizes or entertainment should not be accepted or received if there is any possibility that they might: <ul style="list-style-type: none"> indicate any bias or prejudice towards a person or company compromise judgment possibly represent a conflict of interest Employees are prohibited from soliciting benefits such as gifts, prizes and hospitality. Tox Free Solutions expects its employees to exercise reasonable judgment and discretion in accepting any gratuity or gift offered in connection with the course of their employment. 	Website Review (Tox Free Solutions’ Code of Conduct)
4. Program Implementation Requirements		
Communication	<ul style="list-style-type: none"> Tox Free Solutions’ Code of Conduct with provisions on anti-bribery is posted on the company website. 	Website Review (Tox Free Solutions’ Code of Conduct)
Financial Recording and Auditing	<ul style="list-style-type: none"> The Board of Tox Free Solutions has endorsed its company code of conduct. 	Website Review (Tox Free Solutions’ Code of Conduct)
Raising Concerns and Seeking Guidance	<ul style="list-style-type: none"> Any employee of Tox Free Solutions who is aware of any breach of their company code of conduct must report the matter to the applicable manager, Managing Director or Company Secretary. 	Website Review (Tox Free Solutions’ Code of Conduct)

PEOPLE'S REPUBLIC OF CHINA		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> • Articles 389, 390, 391, 392 and 393 of the Criminal Law of the People's Republic of China 1979 (amended in 1997) prohibit acts of bribery towards the state or public official and identify corresponding penalties to the offender. • Having made the transition to a market economy, China found a need to regulate the private sector and introduced the Unfair Competition Law 1993. This law covers private sector corruption and clearly stipulates that bribery by private companies and managers to obtain undue advantages is illegal. 	Business Anti-Corruption Portal
2. Program to Counter Bribery	<ul style="list-style-type: none"> • China Telecommunications Company has established a unified deployment plan on conducting the control of commercial bribe for subsidiaries both local and abroad. These are carried out in the major fields of engineering construction, materials purchasing, operation, etc. in accordance with related laws and regulations. 	Baseline Tool
3. Scope and Guidelines		
Charitable Contributions	<ul style="list-style-type: none"> • China Telecommunications Company formulated a circular on the management of donations in accordance with the Welfare Donations Law of the People's Republic of China. • The State-Owned Assets Supervision and Administration Commission (SASAC) regulate the donation of China Telecommunications Company which is included in their annual budget. • Donations exceeding a certain amount are subject to approval of the SASAC. • Specific application and approval procedures for donation are documented in the internal control manual of China Telecommunications Company to ensure the strict execution and approval procedure. 	Baseline Tool
Facilitation Payments	<ul style="list-style-type: none"> • There are no facilitation payments in the operations of China Telecommunications Company. 	Baseline Tool
Political Contributions	<ul style="list-style-type: none"> • China Telecommunications Company does not provide political contributions in any form. 	Baseline Tool
4. Program Implementation Requirements		
Business Relationships	<ul style="list-style-type: none"> • China Telecommunications Company requires each business unit to actively coordinate with audit, finance and purchasing departments to regularly carry out self-examination and self-correction of unfair competition and practice, and commercial bribery. • Findings and problems on investigations of bribery cases are acted upon immediately. • In 2012, China Telecommunications Company required bidding agents, technical support institutions, testing support institutions intending to bid to sign an anti-bribery commitment letter. 	Baseline Tool

PEOPLE'S REPUBLIC OF CHINA		
Code Provision	Policies, Programs and Practices	Source
Leadership	<ul style="list-style-type: none"> The China Business Leaders Forum (CBLF) was established in 2005 as a result of a collaboration between the International Business Leader Forum and Renmin University. It is a forum where foreign and Chinese business leaders discuss improvement of business standards as well as combat corruption. It is focused on the positive contribution of the private sector. 	Business Anti-Corruption Portal
	<ul style="list-style-type: none"> Anti-bribery functions are incorporated in the duties and obligations of the Board of Directors and CEO of China Telecommunications Company. Specific rules which are provisions of the Incorruptible Practice of Leaders of State Owned Enterprises include Rules of Professional Ethics of Senior Managers, Rules of Professional Ethics of Staff, Accountability Measures of Leaders, etc. 	Baseline Tool
Human Resources	<ul style="list-style-type: none"> Anti-bribery functions are reflected as a requirement in all aspects of HR management (i.e., engagement, promotion, training, assessment and reward) Feedback of supervisors on the integrity of the employees is included in the process of promotion During annual staff performance assessment, China Telecommunications Company requests for employee integrity reports. Rewards are given for honest behavior while penalties or punishments are imposed on violators of provisions on honest practices. 	Baseline Tool
Monitoring and Review	<ul style="list-style-type: none"> China Telecommunications Company strictly investigates illegal behavior (e.g., taking commercial bribes) 	Baseline Tool
Raising Concerns and Seeking Guidance	<ul style="list-style-type: none"> Reporting of commercial bribe activities in China Telecommunications Company can be done through telephone hot-lines, fax and email. Though there are several channels of reporting, the company pays attention to protecting the informer. 	Baseline Tool
Training	<ul style="list-style-type: none"> China Telecommunications Company frequently provides education and training programs to combat corruption To promote a culture of anti-bribery, China Telecommunications Company organizes an annual "Corruption Combating and Integrity Upholding Awareness Month." This aims to disseminate the importance of upholding integrity in operating departments at various levels and to instill honesty and integrity among the frontline staff's consciousness. 	Baseline Tool
Organization and Responsibilities	<ul style="list-style-type: none"> A leading team tasked to control commercial bribe, composed of the company's leaders and related departments, holds regular meeting to discuss anti-bribery work. Reports are made public and submitted to the SASAC and the Ministry of Industry and Information Technology. The responsibility of the China Telecommunications Company's executives includes anti-bribery functions, the implementation of which is accepted by the Board of Directors. 	Baseline Tool

HONG KONG, CHINA		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> The <i>Prevention of Bribery Ordinance</i> prohibits Bribery and Corrupt transactions with agents. Sections 2, 3, 4, and 9 specifically state that active and passive domestic bribery offenses are punishable by up to seven years of imprisonment and a fine of HKD 500,000 (approx. USD 65,000 or EUR 46,000). 	Website Review and “The Criminalization of Bribery in Asia and the Pacific”
2. Program to Counter Bribery		
3. Scope and Guidelines		
4. Program Implementation Requirements		

INDONESIA		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> Articles 5, 6, 11, 12 and 12B of the Law No. 31/1999 on Corruption Eradication (as amended by Law No. 20/2001) and Articles 2 and 3 of Law No. 11/1980 on Anti-Bribery or Bribery Offenses prohibit acts of bribery towards the state or public official and identifies corresponding penalties to the offender. Article 20 of the Law on Corruption Eradication (LCE) covers liability of legal persons for bribery and provides that —“in the event the criminal act of corruption is committed by or on behalf of a corporation, the lawsuit and the sentence can be instituted against and imposed on the corporation or its board of directors.” 	Business Anti-Corruption Portal
2. Program to Counter Bribery	<ul style="list-style-type: none"> Indonesia Business Links' Business Ethics Initiative (IBL) is a non-profit foundation which was set up just after the Indonesian economic crisis. The organization works not only towards establishing ethical business practices in the economy, but also for general awareness-raising with regard to business ethics and corporate social responsibility. One of their initiatives is the Business Ethics Program which they have conducted in collaboration with the Corruption Eradication Commission in order to teach SMEs in Indonesia about ethical business practices. 	Business Anti-Corruption Portal
3. Scope and Guidelines		
4. Program Implementation Requirements		
Raising Concerns and Seeking Guidance	<ul style="list-style-type: none"> Law No. 13 of 2006 on the Protection of Witnesses and Victims provides protection to all citizens who report corruption and bribery cases. 	Business Anti-Corruption Portal

REPUBLIC OF KOREA		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> In June 2002, the Republic of Korea passed the Anti-Corruption Act which requires high-ranking officials to disclose their assets, to report gifts they receive from foreign entities, and to obtain prior approval for their employment after retirement from government service.⁶ A set of laws (i.e., Criminal Code) criminalize the major forms of corrupt activity, including active and passive bribery, attempted corruption, extortion, bribing a foreign official, money laundering and abuse of office. Other relevant legislations include the Act on Preventing Bribery of Foreign Public Officials in International Business Transactions; the Act on Reporting and Use of Certain Financial Transaction Information; the Proceeds of Crime Act; the Government Procurement Act; and the Public Service Ethics Act.⁷ 	Business Anti-Corruption Portal
	<ul style="list-style-type: none"> Article 7 of the Anti-Corruption Act states that every public official shall honor Acts and subordinate statutes, perform his/her duties impartially and hospitably and refrain from committing any act of corruption or any act damaging his/her dignity. Article 8 of the Anti-Corruption Act states that public officials shall observe a code of conduct prescribed by the Presidential Decree, the National Assembly Regulations, the Supreme Court Regulations, the Constitutional Court Regulations, or the National Election Commission Regulation. The code of conduct of public officials shall prohibit and limit public officials from, among others: <ul style="list-style-type: none"> receiving entertainment, money, and other items from any person related to his/her duties; influencing in personnel affairs; engaging in outside financial interests; introducing illegal connections; and soliciting favors by using his/her position. 	"Anti-Corruption Act" ⁸

⁶ Upon verification, it is the *Public Service Ethic Act* which requires public officials to disclose their assets, to report gifts they receive from foreign entities, and to obtain prior approval for their employment after retirement from government service.

⁷ According to the Anti-Corruption and Civil Rights Commission (ACRC) of the Republic of Korea, the formal title of the relevant legislations in relation to the code provision *Prohibition of Bribery* are as follows, respectively: the *Act on Preventing Bribery of Foreign Officials in International Business Transactions*; the *Act on Reporting and Use of Certain Financial Transaction Information*; the *Act on Special Cases Concerning Confiscation and Recovery of Stolen Assets*; and the *Government Procurement Act*. Consequential to the previous footnote, the policies, programs, and practices corresponding to the said code provision also include the *Act on Anti-Corruption and the Establishment of the Anti-Corruption and Civil Rights Commission*.

⁸ Republic of Korea. *Anti-Corruption Act*, <http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN019104.pdf> (accessed December 2012).

REPUBLIC OF KOREA		
Code Provision	Policies, Programs and Practices	Source
	<ul style="list-style-type: none"> In December 1981, Korea passed the Public Service Ethics Act which requires public officials and candidates to public offices to register and disclose their property and to report and hand over gifts from a foreign country or a foreigner. The Public Service Ethics Act also restricts, for a period of two years, retired public officials from being employed in a profit-making private enterprise that is larger than what is prescribed by law as well as taking on responsibilities closely connected with duties which he/she performed at the competent department within three years before his/her retirement. 	"Public Service Ethics Act" ⁹
2. Program to Counter Bribery	<ul style="list-style-type: none"> On July 2, 2007, representatives from Korean business, government, labor and civil society sectors launched the Global Compact Korea Network. Some 180 participants including 70 CEOs met to discuss issues and initiate activities in raising awareness on business ethics and align with global standards of corporate social responsibility. 	Business Anti-Corruption Portal
3. Scope and Guidelines		
4. Program Implementation Requirements		
Raising Concerns and Seeking Guidance	<ul style="list-style-type: none"> The Act on the Protection of Public Interest Whistleblowers was enforced on 30 September 2011 and is designed to protect whistle-blowers in both the public and private sectors and equally extends to reports on foreign bribery. In September 2011, the Anti-Corruption and Civil Rights Commission (ACRC) began to operate a whistleblower report center. According to several sources, including a December 2011 article on <i>The Korea Times</i> and the OECD's G20 Anti-Corruption Action Plan 2011, the ACRC may provide a monetary reward of up to USD 2 million to whistleblowers if their report directly leads to recovering or increasing revenues or reducing expenditures for public agencies. According to an article in <i>The Korea Times</i>, whistleblowers are obligated to report under their real names, however their personal information will be strictly guaranteed under the law. As of October 2011, the ACRC had received a total of 140 cases. 	Business Anti-Corruption Portal

⁹ Republic of Korea. *Public Service Ethics Act*, <http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN019099.pdf> (accessed December 2012).

JAPAN		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> • Article 198 of the Japanese Penal Code and Articles 18 and 21 of the Unfair Competition Act of Japan prohibit the giving of bribes, as well as offering or promising to give any money or other benefits to foreign officials. Anyone found guilty of committing any of these acts shall be fined or imprisoned. 	Baseline Tool and Website Review
2. Program to Counter Bribery	<ul style="list-style-type: none"> • Sources from the Japan Chamber of Commerce and Industry (JCCI) say that Japanese businesses, particularly those that are publicly listed, have their own corporate codes of conduct posted on their websites. In the same way, member companies from the Osaka Chamber of Commerce and Industry (OCCI), have “whistleblowing” systems which make it difficult for their employees to accept bribes. • Ricoh Company established its Corporate Social Responsibility (CSR) Charter and Code of Conduct for employees under the principles of “<i>Integrity in Corporate Activities</i>,” “<i>Harmony with the Environment</i>,” “<i>Respect for People</i>,” and “<i>Harmony with Society</i>.” They also established a Code of Conduct for Suppliers which required suppliers not to offer and/or to receive inappropriate benefits in dealing with the company. 	Baseline Tool
3. Scope and Guidelines		
Charitable Contributions	<ul style="list-style-type: none"> • Marubeni Company’s basic policy on social contribution is to make sure that receipts were properly issued by the receiving party for proper audit purposes. • For OCCI, all results of charitable activities are reported and checked by an auditing firm. 	Baseline Tool
Gifts, Hospitality and Expenses	<ul style="list-style-type: none"> • Ricoh Company officers and employees may give gifts or entertainment but these should not exceed the bounds of general good business practice. • Ricoh Company officers and employees should make every effort to inform those with whom they do business that they do accept neither entertainment nor gifts, and if they find themselves unable to avoid being entertained, they shall immediately inform their superior and follow instructions. • As a basic policy in giving gifts, Ricoh Company does not give gifts, neither provide entertainment nor give gifts to government employees. 	Baseline Tool
	<ul style="list-style-type: none"> • For OCCI, illegal gifts, hospitality and expenses are strictly prohibited by internal regulation. Its compliance is guaranteed by a whistle blowing system. 	Baseline Tool
	<ul style="list-style-type: none"> • In Mitsubishi Company, employees cannot engage in any activity which would constitute or has the appearance of offering of any bribe and thus employees are prohibited from giving gifts or offering entertainment to government officials. 	Baseline Tool
Facilitation Payments	<ul style="list-style-type: none"> • If presented with extortion demands by anti-social elements, Ricoh Company officers and employees should not compromise by paying money or in any other way. 	Baseline Tool

JAPAN		
Code Provision	Policies, Programs and Practices	Source
Political Contributions	<ul style="list-style-type: none"> Officers and employees of Ricoh Company should not, in the course of business, make contributions to politicians, candidates for political office, to political organizations, nor should they cooperate directly or indirectly in political campaigning. 	Baseline Tool
	<ul style="list-style-type: none"> Officers and employees of Ricoh Company should not, in the course of business, make contributions to politicians, candidates for political office, to political organizations, nor should they cooperate directly or indirectly in political campaigning. 	Baseline Tool
4. Program Implementation Requirements		
Raising Concerns and Seeking Guidance	<ul style="list-style-type: none"> Ricoh Company has an employee hotline. Officers and employees who become aware of any breaches of the Code of Conduct or any risk that they might be breached are required to contact the employee hotline or appropriate person. Responsible persons to be contacted are identified in the code of conduct. The code also assures Ricoh Company officers and employees that no person who will make contact through the hotline shall suffer any disadvantage. 	Baseline Tool
Training	<ul style="list-style-type: none"> Ricoh Company conducts trainings to deepen the employees' understanding of their Code of Conduct. Localized education is provided via e-learning programs, the Intranet, and handbooks in Japan and each overseas region. The extent of employee understanding of the code is measured as part of internal audits conducted across the Group. 	Baseline Tool

MALAYSIA		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> • Sections 21 and 22 of the Malaysian Anti-Corruption Commission Act (from the Malaysia Attorney General's Chambers) prohibit acts of bribery towards officers of the public body and foreign public officials. • Likewise, Section 161 of the Penal Code prohibits public servants from taking gratification other than legal remuneration. 	Business Anti-Corruption Portal
	<ul style="list-style-type: none"> • The Associated Chinese Chamber of Commerce and Industry of Malaysia (ACCCIM) adopted a policy prohibiting receipt of gratification of any form for services rendered or as an inducement for any transaction. Member companies voluntarily pledged to fight corruption. 	Baseline Tool
	<ul style="list-style-type: none"> • UEM Land Holdings required all its employees to adhere to the Malaysian Anti-Corruption Commission Act as well as to the various international treaties and globally agreed instruments against corruption. • The company has put in place an open tender system to ensure transparency and accountability in the procurement process. • They also follow the principles of the Treasury Circular issued by the Ministry of Finance which provide guidelines for the selection of contractors for public infrastructure maintenance. 	Website Review (Corporate Responsibility Report of UEM)
2. Program to Counter Bribery	<ul style="list-style-type: none"> • In recent years, both business organizations and the government have introduced corporate codes of conduct to address anti-corruption issues. • One example of such an initiative was the introduction of the Corporate Integrity Pledge in 2011, the result of collaboration between several bodies, including the Malaysian Anti-Corruption Commission (MACC), the Prime Minister's Office and the Performance Management and Delivery Unit (PEMANDU). By voluntarily signing the Pledge to adhere to Anti-Corruption Principles, companies commit to a long-term programme to establish an effective system and to increase integrity in the Malaysian corporate sector. • According to a 2011 news article by The Malay Mail, companies such as Siemens Malaysia SdnBhd have already signed the pledge, and more companies are expected to join the effort. 	Business Anti-Corruption Portal
3. Scope and Guidelines		
Charitable Contributions	<ul style="list-style-type: none"> • ACCCIM members make clear distinction with charitable contributions to ensure no strings are attached. Recipients of charitable contributions are made aware not to allow any trade off. 	Baseline Tool
Gifts, Hospitality and Expenses	<ul style="list-style-type: none"> • UEM Land Holdings stated in its policy that no employee or any member of his immediate family can accept any form of gifts or favors from contractors, suppliers, clients/customers, or any other party having business dealings with the company. 	Website Review (Corporate Responsibility Report of UEM)

MALAYSIA		
Code Provision	Policies, Programs and Practices	Source
	<ul style="list-style-type: none"> For the members of the ACCCIM, gifts are not totally avoidable for social/cultural reasons and practices. Token gestures are tolerated. 	Baseline Tool
Facilitation Payments	<ul style="list-style-type: none"> Though token gestures are tolerated among the members of the members of the ACCCIM, gifts as facilitation payments are to be avoided where there are conflicts of interest or where these might give rise to unfair competition. 	Baseline Tool
Political Contributions	<ul style="list-style-type: none"> For the members of the ACCCIM, recipients of political donations are to be properly documented and accounted for. 	Baseline Tool
4. Program Implementation Requirements		
Communication	<ul style="list-style-type: none"> UEM Land Holdings' Corporate Responsibility Report with provisions on anti-bribery is posted on the company website. 	Website Review (Corporate Responsibility Report of UEM)
Leadership	<ul style="list-style-type: none"> UEM Land Holdings recognizes that measures against corruption need to be improved at all times, thus, they review industry best practices against corruption within their industry group to further improve current measures. Industry's best practices that are considered include the Project Anti-Corruption System (PACS), developed by Global Infrastructure Anti-corruption Centre. 	Website Review (Corporate Responsibility Report of UEM)
Raising Concerns and Seeking Guidance	<ul style="list-style-type: none"> The Malaysian Anti-Corruption Commission Act (MACC) and Anti-Money Laundering Act 2001 provide a legal framework for protection of whistleblowers in Malaysia. Clause 65 of the MACC Act prohibits disclosure of information that can lead to the identification of the informer or whistleblower. In April 2010, the Malaysian government passed the new Whistleblower Protection Bill, which took effect in December 2010. According to a 2010 news article by <i>The Star</i>, one drawback of the Act is that it only gives protection to informants who provide confidential information to the government, and protection will be withdrawn immediately if the information is exposed to a third party. In February 2005, the Central Bank, Bank Negara Malaysia, set up a website to facilitate rapid response to the public and to serve small and medium-sized companies (SMEs) on matters related to the financial sector. It also has the potential to encourage whistleblowers to disclose corruption in the financial sector. 	Business Anti-Corruption Portal
	<ul style="list-style-type: none"> In 2009, UEM Land Holdings launched and implemented the Group Whistle Blower Policy that provides an avenue for employees to report grievances on any matters. The company guarantees confidentiality of information regarding the employee's identity and also the content and nature of reported grievances. 	Website Review (Corporate Responsibility Report of UEM)

MEXICO		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> • Mexico ratified the <i>Inter-American Convention Against Corruption in 1997</i>. In 1999, Mexico also ratified <i>OECD Anti-Bribery Convention</i> and the <i>United Nations Convention Against Corruption (UNCAC) in 2004</i>. In October 2011, an OECD Working Group report highlighted a number of shortcomings in Mexico in implementing the Convention requirements • Corrupt practices are addressed by the <i>Código Penal Federal</i>, which criminalizes attempted corruption, passive and active bribery, extortion, bribing a foreign official, abuse of office and money laundering. • Business executives surveyed by the World Economic Forum's <i>Global Competitiveness Report 2011-2012</i> indicate that the unethical behaviour of companies in Mexico constitutes a competitive disadvantage. 	Business Anti-Corruption Portal
2. Program to Counter Bribery		
3. Scope and Guidelines		
4. Program Implementation Requirements		

NEW ZEALAND		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> The legislative provisions relating to bribery are found in the <i>Crimes Act 1961</i> ("the Act"). A bribe, in the context of the Act, means "any money, valuable consideration, office, employment, or any other benefit, whether direct or indirect". <ul style="list-style-type: none"> <i>Section 105C</i> makes it an offence to bribe a person with intent to influence a foreign public official in order to obtain or retain business, or obtain an improper advantage. The maximum penalty is 7 years imprisonment. A person will not be liable if the act was committed "for the sole or primary purpose of ensuring or expediting the performance by a foreign public official of a routine government action" and "the value of the benefit is small". A "routine government action" does not include a decision about whether to award new business, to continue existing business, or the terms of the new or existing business. Nor does it include any action that is outside the scope of the official's ordinary duties. <i>Section 105D</i> provides that it is an offence for a New Zealand citizen or company to do any act overseas that would, if done in New Zealand, constitute an offence under section 105C. <i>Section 105E</i> contains an exception to both sections 105C and 105D. Essentially, if the alleged act of bribery was done outside New Zealand and was not, at the time of its commission, an offence under the laws of the relevant foreign country, then the act will not constitute an offence. Under the <i>Secret Commissions Act 1910</i> it is an offence (in general terms) to "corruptly" give a gift to an agent (and for an agent to accept such a gift) without the consent of the principal where the gift (or other consideration) is an inducement or reward for doing or forbearing to do something in relation to the principal's affairs or business. 	"Bribery Legislations in New Zealand"
2. Program to Counter Bribery		
3. Scope and Guidelines		
4. Program Implementation Requirements		
Leadership	<ul style="list-style-type: none"> The Board of Directors (Board) is responsible for the overall direction and strategy of NZX. It appoints a chief executive who is in charge of the day-to-day operation of NZX's business. The chief executive also implements policies and strategies set by or Board. The Board also directly delegates the Head of Market Supervision with respect to NZX's regulatory functions. The Board has established a <i>Code of Ethics</i> that provides a set of principles for directors to follow. The principles outline the required skills and competencies of company directors as well as provide guidelines on managing conflicts of interest, trading in NZX's shares, and maintaining confidentiality of information. 	Website Review (NZX I Corporate Governance Principles)
Organization and Responsibilities	<ul style="list-style-type: none"> NZX is committed to ensuring it employs best practice governance structures and principles in keeping with Appendix 16 of the NZSX Listing Rules (the Rules) and the Corporate Governance Principles and Guidelines published by the Securities Commission. NZX believes good governance starts at the top with the Board comprised of individuals who are elected by shareholders. . 	Website Review (NZX I Corporate Governance Principles)

PERU		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> Peru has a strong legal framework for fighting corruption, but most observers agree that enforcing the legislation is a major problem. Corruption is criminalized through Decree No. 635 of the Peruvian Penal Code, which covers attempted corruption, extortion, passive and active bribery, money laundering, and bribing a foreign official. In response to the serious incidents of corruption in its recent past, Peru has enacted a Law on the Public Service Code of Ethics. The law, applicable to all areas of the public administration, governs the behavior of public officials in accordance with ethical principles to guide public service. 	Business Anti-Corruption Portal
2. Program to Counter Bribery		
3. Scope and Guidelines		
4. Program Implementation Requirements		
Raising Concerns and Seeking Guidance	<ul style="list-style-type: none"> Among the most noteworthy acts was the Whistleblower Protection Law, which provides protection from dismissal or reprimands for whistleblowers, confidentiality in reporting acts of corruption, and compensation for the whistleblower. 	Business Anti-Corruption Portal

PHILIPPINES		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> Corruption-specific legislation in the Philippines dates back to 1960, when the economy passed its first anti-corruption law, although provisions for penalties for corrupt officials were originally established by the Act Revising the Penal Code of 1930. Attempted corruption, active and passive bribery, extortion, bribing a foreign official, using confidential state information for private gain, money laundering, and organized crime are defined as criminal acts that are addressed by the Anti-Graft and Corrupt Practices Act and the Anti-Money Laundering Act of 2001. 	Business Anti-Corruption Portal
	<ul style="list-style-type: none"> Explicit policies against entering into financial arrangements with suppliers and government officials are adopted by Punongbayan and Araullo. 	Baseline Tool
2. Program to Counter Bribery	<p>700* companies, together with heads and representatives of government agencies, have signed an integrity pledge aiming to promote and abide by ethical and business standards, as reported in a 2011 article by Reuters.</p> <p><i>*Note: 1,500 as of Sept 20, 2012</i></p>	Business Anti-Corruption Portal
3. Scope and Guidelines		
Gifts, Hospitality and Expenses	<ul style="list-style-type: none"> SM Development Corporation prohibits the solicitation or acceptance of gifts by any director, officer or employee of the company from any business partner, except only for gifts of nominal value or those given for the company's charitable projects. To ensure integrity in procurement practices and the selection of the most appropriate business partner in each instance, SM Development Corporation adopted guidelines on the acceptance of gifts by all directors, officers and employees from the company's business partners. Under this policy, all directors, officers and employees are prohibited from soliciting gifts in any form from any business partner. They are further prohibited from accepting gifts in any form, except for corporate giveaways, tokens or promotional items of nominal value. 	Website Review (Code of Conduct of SM Development Corporation)
4. Program Implementation Requirements		
Business Relationships	<ul style="list-style-type: none"> The Code of Conduct of SM Development Corporation requires a fair and transparent process for the evaluation and selection of suppliers of goods and services, as well as an effective monitoring and control system to prevent fraud and other malpractices. 	Website Review (Code of Conduct of SM Development Corporation)
Communication	<ul style="list-style-type: none"> SM Development Corporation's Code of Conduct with provisions on anti-bribery is posted on the company website. 	Website Review (Code of Conduct of SM Development Corporation)
Leadership	<ul style="list-style-type: none"> In the Social Weather Stations Survey of Enterprises on Corruption 2009, Philippine companies stated that they are willing to spend 5 percent of their net income on anti-corruption programs. <p><i>*Note: The same findings surfaced in the 2012 SWS Survey.</i></p>	Business Anti-Corruption Portal

RUSSIA		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> The Anti-Corruption Legislation was passed by the Duma in its third reading and adopted on 30 December 2008. The new anti-corruption laws gave, for the first time in Russia, a wide definition of corruption which criminalizes corruption in the form of active and passive bribery, abuse of office, commercial bribery, trading in influence both in public and private sectors and corruption by agents. The anti-corruption package has widened the definition of commercial bribery in the Criminal Code to include non-commercial organizations in the scope of the law and has slightly raised the penalty for the infringement. 	Business Anti-Corruption Portal
2. Program to Counter Bribery	<ul style="list-style-type: none"> The International Business Leaders Forum Russia (IBLF Russia) works to enable the responsible conduct of business to ensure the stable and sustainable social and economic development of Russia. IBLF Russia runs programs and training for SME support and responsible business practices within the organization and related anti-corruption, capacity building and planning, measurement and reporting systems. IBLF Russia also provides advice on corporate social strategy development and joint ventures. 	Business Anti-Corruption Portal
3. Scope and Guidelines		
4. Program Implementation Requirements		

SINGAPORE		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> Miclyn Express Offshore's (MEO) Code of Conduct includes provisions which prohibit bribery. Any breaches of the Code may result in disciplinary action or other penalties including dismissal or termination of the employees' contract or engagement. 	Website Review (Code of Conduct of Miclyn Express Offshore)
2. Program to Counter Bribery	<ul style="list-style-type: none"> Specific responsibilities of employees are identified in Miclyn's Code of Conduct which expects employee to act in a manner that is governed by high standards of integrity in accordance with applicable laws. The implementation of the company code is complemented with a Whistleblower Policy to ensure employees are able to disclose information regarding suspected wrongful conduct by other employees without fear of any reprisals. 	Website Review (Code of Conduct of Miclyn Express Offshore)
3. Scope and Guidelines		
Gifts, Hospitality and Expenses	<ul style="list-style-type: none"> Employees of Miclyn Express Offshore and their relatives are prohibited from giving or receiving unreasonable gifts (any gift that is valued at US\$100 or more) from customers or suppliers or any other entities with whom Miclyn Express Offshore interacts with. 	Website Review (Code of Conduct of Miclyn Express Offshore)
Facilitation Payments	<ul style="list-style-type: none"> Employees of Miclyn Express Offshore must not pay or receive any bribes, facilitation payments, inducements or commissions (this includes any item intended to improperly obtain favorable treatment or avoid unfavorable circumstances). 	Website Review (Code of Conduct of Miclyn Express Offshore)
Political Contributions	<ul style="list-style-type: none"> It is against the policy of Miclyn Express Offshore for any supervisor to solicit funds from a subordinate for political purposes. 	Website Review (Code of Conduct of Miclyn Express Offshore)
4. Program Implementation Requirements		
Communication	<ul style="list-style-type: none"> Miclyn Express Offshore's Code of Conduct with provisions on anti-bribery is posted on the company website. 	Website Review (Code of Conduct of Miclyn Express Offshore)
Raising Concerns and Seeking Guidance	<ul style="list-style-type: none"> Miclyn Express Offshore has a separate Whistleblower Policy that encourages employees to report to their supervisors, managers, or any behavior or situation which they believe to be breaches of company policies or domestic anti-corruption. Through the Whistleblower Policy, employees are able to disclose information in good faith regarding suspected wrongful conduct by other employees without fear of any reprisals. There is a clearly defined process through which such information is disclosed. 	Website Review (Code of Conduct of Miclyn Express Offshore)

CHINESE TAIPEI		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition of Bribery	<ul style="list-style-type: none"> The Corruption Punishment Statute and the Criminal Code criminalize corruption in the form of passive bribery, bribery of foreign officials and attempted bribery. Chinese Taipei also has a set of comprehensive laws and regulations such as the Political Donations Act, the Lobbying Act, the Act on Property-Declaration by Public Servants and the Act on Recusal of Public Servants Due to Conflicts of Interest that are designed to target corruption. According to a Want China Times' June 2011 article, under the previous law, individuals who offered 'red envelopes' (money in a red envelope) to civil servants were only found guilty of bribery if the act resulted in the recipient acting illegally. As an attempt to combat the entrenched "red envelope culture," the Legislative Yuan passed an amendment to the Statute in June 2011, to include a maximum three-year imprisonment and/or a fine of up to USD 17,422 to anyone who is proven to have offered a bribe or gift to government officials, even if the act does not compromise the official duties of the recipient, as reported in the same article. The amendment took effect on 1 July 2011, making active bribery as an offense under the Statute, according to an October 2011 Anti-Corruption Directive No. 1 issued by the Agency Against Corruption. 	Business Anti-Corruption Portal
	<ul style="list-style-type: none"> As an underlying premise to facilitate ethical corporate management, companies listed in the Taiwan Stock Exchange (TWSE) should comply with the: <ul style="list-style-type: none"> Company Act Securities and Exchange Act Business Accounting Act Political Donations Act Anti-Corruption Act Government Procurement Act Act on Recusal of Public Servants Due to Conflicts of Interest TWSE/GTSM-listing related rules, or other laws or regulations regarding commercial activities The TWSE promulgated the Ethical Corporate Management Best Practice Principles to assist companies foster a corporate culture of ethical management and sound development. TWSE member companies are advised to adopt the principles. Based on the TWSE Best Practice Principles, directors, supervisors, managers, employees of companies or persons having substantial control over companies shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits while engaging in commercial activities. 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)

CHINESE TAIPEI		
Code Provision	Policies, Programs and Practices	Source
	<ul style="list-style-type: none"> Parties covered by the provision include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and directors, supervisors, managers, employees or substantial controllers or other interested parties. The guidelines also include preventive measures against the offering and acceptance of bribes, offering illegal political donations, improper charitable donations or sponsorship, and offering or acceptance of unreasonable presents or hospitality or other improper benefits. 	
2. Program to Counter Bribery	<p>The <i>Ethical Corporate Management Best Practice Principles</i> provide concrete rules about the operation procedures and guidelines for the following contents:</p> <ul style="list-style-type: none"> Standards for determining whether improper benefits have been offered or accepted Procedures for offering legitimate political donations Procedures for offering charitable donations or sponsorship. Rules for avoiding work-related conflicts of interest and reporting and handling procedures thereof Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business Regulations and handling procedures for dealing with suppliers, clients and business transaction counterparties suspected of Unethical Conduct Handling procedures for violations of the principles of the company Disciplinary measures for offenders 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)
3. Scope and Guidelines		
Charitable Contributions	<ul style="list-style-type: none"> When making or offering charitable donations and sponsorship, the companies listed in the TWSE/GTSM and its directors, supervisors, managers, employees and substantial controllers should comply with relevant laws and regulations and internal operational procedures, and should not secretly engage in bribery. 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)
Gifts, Hospitality and Expenses	<ul style="list-style-type: none"> The Prevention Guidelines shall include preventive measures against offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)

CHINESE TAIPEI		
Code Provision	Policies, Programs and Practices	Source
Political Contributions	<ul style="list-style-type: none"> Chinese Taipei promulgated the <i>Political Donations Act</i> on March 10, 2012 which: <ul style="list-style-type: none"> normalizes and manages political donations; promotes the political participation of the citizens; ensures the fairness and justness of political activities; and strengthens the development of democracy. 	Business Anti-Corruption Portal
	<ul style="list-style-type: none"> TWSE member companies are guided by the <i>Ethical Corporate Management Best Practice Principles</i> with regard to preventive measures against offering illegal political donations. 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)
4. Program Implementation Requirements		
Business Relationships	<ul style="list-style-type: none"> Prior to conclusion of any commercial transactions, companies listed in the Taiwan Stock Exchange (TWSE) should take into consideration the legality of their agents, suppliers, clients or other trading counterparties, and their records of unethical conduct, if any. They are advised not to have any dealings with persons who have any records of unethical conduct. 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)
Communication	<ul style="list-style-type: none"> Companies listed in the TWSE/GTSM should disclose the status of the enforcement of the principles on their respective websites, annual reports and prospectuses. 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)
Leadership	<ul style="list-style-type: none"> The board of directors of the companies listed in the TWSE/GTSM should exercise due care of good administrators to prevent them from unethical conduct. The principles of the company should be implemented after the board of directors grants the approval, and should be sent to the supervisors and reported at a shareholders' meeting. The board of directors of the companies should continuously review the results of the preventive measures at any time in order to ensure thorough implementation of its ethical corporate management policies. 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)
Financial Recording and Auditing	<ul style="list-style-type: none"> Companies should establish an effective accounting and internal control system for business activities which may be at a higher risk of being involved in unethical conduct Companies should not have under-the-table accounts or maintain secret accounts, and they should conduct reviews from time to time so as to ensure that the design and enforcement of the systems will continue to be effective. 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)

CHINESE TAIPEI		
Code Provision	Policies, Programs and Practices	Source
	<ul style="list-style-type: none"> Company internal auditors periodically examine the company's compliance with existing systems and should prepare audit reports to be submitted to the board of directors. Companies shall disclose the status of the enforcement of the principles on the websites, annual reports and prospectuses of the Company. 	
Human Resources	<ul style="list-style-type: none"> Companies should combine the policies of ethical corporate management with its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system. 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)
Monitoring and Review	<ul style="list-style-type: none"> Companies shall monitor the development of relevant local and international regulations concerning ethical corporate management from time to time, and encourage directors, supervisors, managers and employees to make suggestions so as to review and improve the Principles enacted by the Company and enhance the achievement of ethical corporate management. 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)
Raising Concerns and Seeking Guidance	<ul style="list-style-type: none"> In 2000, the Legislative Yuan passed the Witness Protection Law which offers protection for witnesses who testify in criminal cases concerning areas such as money laundering, election fraud or bribery by public officials. The Law also requires the identity of the witness to be kept anonymous. The Anti-Corruption Informant Rewards and Protection Regulation provides protection for whistleblowers, confidentiality in reporting acts of corruption, and compensation for the whistleblower. However, according to a December 2011 press release by Transparency International Chinese Taipei, while the majority of the surveyed respondents stated that they are aware of the possibility to report illegal behavior, most of them would not do so due to the following reasons: "fear of reprisals," "belief that whistle blowing is not useful," "not feeling safe about the current whistleblower protection mechanism," and "not feeling that there is direct evidence of corruption." 	Business Anti-Corruption Portal
	<ul style="list-style-type: none"> Companies should have in place formal channels for receiving reports on unethical conduct and keep the reporter's identity and content of the report confidential. Companies should establish a well-defined disciplinary and complaint system to handle violation of the ethical corporate management rules, and immediately disclose the information in their company internal website the offender's job title, name, and the date when the violation was committed, violating act and how the matter was handled. 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)
Training	<ul style="list-style-type: none"> Companies should periodically organize education, training and awareness programs for directors, supervisors, managers, employees, and substantial controllers in order for them to fully understand and implement ethical corporate management, related policies, prevention guidelines and the consequences of committing unethical conduct. 	Baseline Tool (TWSE Ethical Corporate Management Best Practice Principles)

CHINESE TAIPEI		
Code Provision	Policies, Programs and Practices	Source
Organization and Responsibilities	<ul style="list-style-type: none"> • To achieve sound ethical corporate management, the human resources department of the company is in charge of establishing and enforcing the ethical corporate management policies and prevention guidelines and should report to the board of directors periodically. • Companies and their directors, supervisors, managers, employees and substantial controllers should comply with laws and regulations as well as the corruption-prevention guidelines when carrying out business. • Companies should conduct and review the results of the corruption-preventive measures as well as continuously make adjustments to them so as to ensure thorough implementation of its ethical corporate management policies. 	Baseline Tool, (TWSE Ethical Corporate Management Best Practice Principles)

THAILAND		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition Of Bribery	<ul style="list-style-type: none"> According to <i>Global Integrity 2007</i>, Thailand's anti-corruption legislation is evaluated as "strong." It is largely covered by <i>The Act of Penal Code, B.E. 2499 and 2502</i>. Active and passive bribery, attempted corruption, extortion, abuse of public office for private gain, as well as serving as an intermediary between two parties exchanging bribes and services, are all punishable by heavy sentences, including capital punishment. 	Business Anti-Corruption Portal
	<ul style="list-style-type: none"> It is Display Center Company, Ltd.'s policy not to be involved in any fraud. 	Baseline Tool
2. Program to Counter Bribery	Display Center Company, Ltd. run according to its company policy which is based on the business ethics of the Thai Chamber of Commerce.	Baseline Tool
3. Scope and Guidelines		
Gifts, Hospitality and Expenses	<ul style="list-style-type: none"> In receiving gifts, employees at every level of Lanna Resources Public Company Ltd., should not receive gifts, travel tickets, sports tickets, recreation proposals, accommodations or other personal proposals if such will lead to commitments to the company or cause the company to lose its benefit. 	Website Review (Code of Conduct of Lanna Resources Public Company Limited)
Facilitation Payments	<ul style="list-style-type: none"> It is the policy of Lanna Resources Public Company Ltd. not to commit any fraud in dealing with traders and creditors. Lanna Resources Public Company Ltd. is committed to strictly comply with conditions it has with creditors, whether they are related to the purpose of payment, reimbursement, securities and guarantees and other matters that it has agreed with the creditors for their common interests. 	Website Review, (Code of Conduct of Lanna Resources Public Company Limited)
4. Program Implementation Requirements		
Communication	<ul style="list-style-type: none"> The <i>Code of Conduct</i> of Lanna Resources Public Company Ltd., which has anti-bribery provisions, is posted on the company website. 	Website Review, (Code of Conduct of Lanna Resources Public Company Limited)
Leadership	<ul style="list-style-type: none"> The CEO of Display Center Company, Ltd. said that he takes bribery seriously, being an officer of the Thai Chamber of Commerce. 	Baseline Tool
Raising Concerns and Seeking Guidance	<ul style="list-style-type: none"> According to <i>Global Integrity 2007</i>, Thailand does not have a specific law dealing with whistle-blowers, but protection can be derived from the <i>Witness Protection in Criminal Case Act of 2003</i>. Public sector whistleblowers must request police protection in criminal cases while private sector whistleblowers must hire the police to provide them with protection. Thailand has an internal mechanism for reporting public sector corruption, but this measure is considered to be both slow and inefficient, and it takes between 90 and 125 days before authorities act on the complaint. Whistleblowers in Thailand are not adequately protected and may experience harassment or dismissal. Hence, <i>Global Integrity 2007</i> assessed whistleblowing measures in Thailand as "weak." 	Business Anti-Corruption Portal

THE UNITED STATES		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition Of Bribery	<ul style="list-style-type: none"> The <i>U.S. Foreign Corrupt Practices Act</i> prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any economy. 	Website Review
2. Program to Counter Bribery		
3. Scope and Guidelines		
Charitable Contributions	<ul style="list-style-type: none"> Except for company-supported charitable events, officers, directors and employees of Boston Beer Company may not solicit donations of merchandise or similar items or services from vendors or customers. 	Website Review (Boston Beer Company Code of Conduct)
Gifts, Hospitality and Expenses	<ul style="list-style-type: none"> Hawkins, Inc., prohibits its directors and employees from offering, giving, providing or accepting gifts or entertainment unless it: (1) is not a cash gift; (2) is consistent with customary business practices; (3) is not excessive in value; (4) cannot be construed as a bribe or payoff; and, (5) does not violate any laws or regulations. 	Website Review (Hawkins, Inc. Code of Conduct)
	<ul style="list-style-type: none"> Officers, directors or employees of Boston Beer Company should not accept any gift of money or other thing of value other than advertising, promotional or goodwill gifts with a clearly nominal (less than \$10) value. Other gifts, if received, should either be returned, if possible, or forwarded to the Company's Human Resources Department where they will be distributed to charities or raffled off to employees. 	Website Review (Boston Beer Company Code of Conduct)
Facilitation Payments	<ul style="list-style-type: none"> Boston Beer Company does not use bribes, kickbacks, excessive entertainment or any other improper payments or favors to gain competitive advantages in the conduct of their business. 	Website Review (Boston Beer Company Code of Conduct)
Political Contributions	<ul style="list-style-type: none"> Officers, directors and employees of Boston Beer Company are prohibited from paying or bestowing anything of value in the form of money, gifts, gratuities or favors to or upon any person, government official, political organization or business entity with the intent of causing the recipient to illegally influence any transaction for the benefit of the Company. Although political contributions may be lawful, both domestically and abroad under certain circumstances, no political contribution should be made on behalf of the Boston Beer Company unless specifically approved in writing by the Chief Executive Officer and the Chairman. This includes contributions of money or other assets to any political candidate or in support of any political issue. Time spent by an employee on political activity during working hours, or the use of Company assets for political purposes, constitutes a political contribution. 	Website Review (Boston Beer Company Code of Conduct)

THE UNITED STATES		
Code Provision	Policies, Programs and Practices	Source
4. Program Implementation Requirements		
Business Relationships	<ul style="list-style-type: none"> Employees of Boston Beer Company are informed that entertainment should not be entered if it could unduly influence or compromise an employee of the Company. 	Website Review (Boston Beer Company Code of Conduct)
Communication	<ul style="list-style-type: none"> Company codes of conduct with provisions on anti-bribery are posted on company websites. 	Website Review (Boston Beer Company Code of Conduct, BBC Code of Conduct, and Hawkins, Incorporated's Code of Conduct)
Raising Concerns and Seeking Guidance	<ul style="list-style-type: none"> In Boston Beer Company, reports on any illegal or fraudulent activities can be made through the Company's hotline and email. 	Website Review (Boston Beer Company Code of Conduct)
	<ul style="list-style-type: none"> Officers and employees of Boston Beer Company are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation. Additionally, officers and employees should report violations of laws, rules and regulations, including any improper accounting or financial practices, fraudulent practices or misrepresentations, or this Code to their supervisors, or to the Company's Compliance Officer or through the hotline The company does not permit retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct. 	Website Review (Boston Beer Company Code of Conduct)

VIET NAM		
Code Provision	Policies, Programs and Practices	Source
1. Prohibition Of Bribery	<ul style="list-style-type: none"> The National Assembly, which is dominated by members of the ruling Communist Party of Viet Nam (CPV), passed a long-awaited Anti-Corruption Law and Law on Thrift Practices which became effective in June 2006. Corruption practices are addressed by the Anti-Corruption Law 2005, which criminalizes attempted corruption, passive and active bribery, extortion, bribing a foreign official, abuse of office and money laundering. According to a 2008 study conducted by the Ministry of Foreign Affairs of Denmark in collaboration with Swedish and Vietnamese anti-corruption authorities, a major drawback of the law is the narrow focus on state and public sector corruption, which means that private sector corruption, is neglected. 	Business Anti-Corruption Portal
2. Program to Counter Bribery		
3. Scope and Guidelines		
Charitable Contributions	<ul style="list-style-type: none"> For the members of the Vietnam Chamber of Commerce and Industry (VCCI), all charitable contributions and sponsorships must be clear and reported to the monitoring board. 	Baseline Tool
Gifts, Hospitality and Expenses	<ul style="list-style-type: none"> Employees of the members of VCCI are restricted from receiving gifts, hospitality or expenses that do not conform to domestic law. 	Baseline Tool
4. Program Implementation Requirements		
Raising Concerns and Seeking Guidance	<ul style="list-style-type: none"> Although the Anti-Corruption Law 2005 and the Law on Complaints and Denunciations offer some protection for whistleblowers, such as denunciators being allowed to request their identities are kept anonymous. However, according to a 2008 report by the Ministry of Foreign Affairs of Denmark, the Government Decree No. 47 stipulates that individuals who want to report an act of corruption must give their name and address, explain the corrupt practice, and submit documentation with the complaint. 	Business Anti-Corruption Portal

ANNEX D. PROGRAM OF ACTIVITIES

19 September 2012 (Wednesday)

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| 9:00 AM to
7:00 PM | ◆ Arrival of Foreign Delegation
◆ Early Registration |
| 1:00 PM to
6:00PM | ◆ City Tour of Manila |

20 September 2012 (Thursday)**OPENING CEREMONY**

Venue: Ballroom B

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| 07:30 AM | ◆ Registration |
| 08:30 AM | ◆ Opening Remarks
◆ Introduction of Delegations
◆ Message from Justice Conchita Carpio Morales, Ombudsman of the Philippines |

**SESSION 1: THE STATE OF GLOBAL ANTI-CORRUPTION AND
INTEGRITY AND TRANSPARENCY INITIATIVES IN THE PRIVATE SECTOR**

Venue: Ballroom B

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| 9:00 AM | ◆ Corruption in the Private Sector and Business Principles for Countering Bribery presented by Mr. Peter Rooke, Transparency International |
| 9:20 AM | ◆ The United Nations Global Compact and Corruption Prevention to Foster SME Development presented by Mr. Shervin Majlessi, UN Office on Drugs and Crime (UNODC) |
| 9:40 AM | ◆ Open Forum |
| 10:00 AM | ◆ Tea Break |
| 10:15 AM | ◆ Supporting Anti-Corruption Initiatives in the Private Sector

Presentations from:
Ms. Clare Wee of the Asian Development Bank (ADB)
Mr. Jesse Ang of the World Bank
Mr. Samuel De Jaegere of the United Nations Development Programme (UNDP)
Ms. Gloria Steele of the United States Agency for International Development (USAID) |
| 11:30 AM | ◆ Opening of the Exhibit on Anti-Corruption Initiatives |
| 12:00 PM | ◆ Lunch Venue: Basix Restaurant |

**SESSION 2: IMPLEMENTING THE ASIA-PACIFIC ECONOMIC COOPERATION (APEC)
ANTI-CORRUPTION CODE OF CONDUCT FOR BUSINESS**

Venue: Ballroom B

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|---------|---|
| 1:00 PM | ◆ The APEC Anti-Corruption Code of Conduct for Business presented by Atty. Alan Cañares, Office of the Ombudsman of the Philippines |
| 1:15 PM | ◆ The Pathfinder Project of Australia, Chile, and Viet Nam
Presentations by:
Mr. Anthony Weymouth of Australia
Mr. Pablo Gomez of Chile
Ms. Phung Thi Lan Phuong of Viet Nam |

21 September 2012 (Friday)**SESSION 3: DEVELOPING AN OPERATIONAL PROGRAM FOR THE IMPLEMENTATION OF THE ASIA-PACIFIC
ECONOMIC COOPERATION (APEC) ANTI-CORRUPTION CODE OF CONDUCT FOR BUSINESS**

Venue: Meeting Rooms 3 & 4

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| 8:00 AM | ◆ Registration |
| 9:00 AM | ◆ Recap of Day 1 Activities |
| 9:10 AM | ◆ Results of the Baseline Study on the Implementation of the APEC Anti-Corruption Code of Conduct for Business presented by Mr. Antonio D. Kalaw, Jr., President of the Development Academy of the Philippines |
| 9:30 AM | ◆ Open Forum |
| 9:45 AM | ◆ Instructions for the Breakout Workshops |
| 10:00 AM | ◆ Breakout Workshop: Sharing of Prospects and Experiences in Implementing the APEC Anti-Corruption Code of Conduct for Business and Formulation of an Operational Program
Venue: Designated Workshop Rooms |
| 12:00 PM | ◆ Lunch Venue: Bassix Restaurant |
| 1:00 PM | ◆ Resumption of Breakout Workshops |
| 2:00 PM | ◆ Presentation of Workshop Results |
| 3:00 PM | ◆ Open Forum |
| 3:15 PM | ◆ Tea Break |

CLOSING CEREMONY

Venue: Meeting Rooms 3 & 4

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| 3:30 PM | ◆ Pledge of Support Against Corruption |
| | ◆ Ceremonial Turnover |
| | ◆ Closing Remarks |

ANNEX E. LIST OF DELEGATES

FOREIGN DELEGATES			
ECONOMY	NAMES	DESIGNATION	ORGANIZATION
Brunei	1. Muhammad Hisham Sulaiman	Senior Special Investigator	Anti Corruption Bureau
Chile	2. Mr. Pablo Gomez	Regional Prosecutor	National Prosecutor's Office
People's Republic of China	3. Mr. Shao Chunbao	Director General	China Telecom
	4. Mr. Zhong Qingming	Deputy Director General	Ministry of Supervision
	5. Mr. Zhou Congyuan	Project Officer	Ministry of Supervision
Indonesia	6. Mdme. Miranda Tanjung	International Cooperation Specialist	Corruption Eradication Commission
	7. Mr. Mas Achmad Daniri	Chairman	National Committee on Good Governance
	8. Mdme. Nurdiarti	Investigation Internal Audit Manager	Pertamina
	9. Mr. Jujur Hutabarat	Legal Crime Manager Legal Counsel	Pertamina
	10. Mr. Irfan Setadi Haryono	System & Procedure, Compliance - Corporate Secretary	Pertamina
Malaysia	11. Mr. Shaharuddin Khalid	Director Inspection and Consultancy Division	
	12. Mr. Datuk David Chua	Member Consultation and Prevention Panel Executive Advisor	Malaysian Anti-Corruption Commission Associated Chinese Chambers of Commerce
Papua New Guinea	13. Mr. Steven Kilanda	Senior Trade Officer	Department of Foreign Affairs and Trade
Russia	14. Mr. Artem Yulegin	Head of Division	Ministry of Economic Development
	15. Mr. Ilias Lobov	Expert	Ministry of Economic Development
	16. Mr. Anton Tronin	Executive Office of the President	Administration of the President of Russia
Singapore	17. Mdme. Tan Chai Ying	Officer	Corrupt Practices Investigation Bureau
	18. Mr. Jeffrey Tan	Senior Special Investigator	Corrupt Practices Investigation Bureau
Chinese Taipei	19. Mdme. Fan Yi-Kai	Agent Agency Against Corruption	Ministry of Justice
	20. Mdme. Chiao-Hsuan Lee	Officer Agency Against Corruption	Ministry of Justice

FOREIGN DELEGATES			
ECONOMY	NAMES	DESIGNATION	ORGANIZATION
Thailand	21. Dr. Natthacha Wongwanich	Internal Affairs Officer International Cooperation and Partnership Division Bureau of International Affairs	Office of the National Anti-Corruption Commission
	22. Mdme. Orathai Pibun Arak	Corruption Prevention Officer	Office of the National Anti-Corruption Commission
	23. Mr. Nipon Thammasri	Director	Office of the National Anti-Corruption Commission
USA	24. Mr. Daniel Eric Stonecipher	Regional Anti-corruption Advisor	American Bar Association's Rule of Law Initiative
Vietnam	25. Mdme. Phung Thi Lan Phuong	Officer	Vietnam Chamber of Commerce and Industry
(Expert Speaker)	26. Mr. Peter Rooke	Senior Adviser	Transparency International
(Expert Speaker)	27. Mr. Shervin Majlessi	Regional Anti-corruption Advisor	UN Office on Drugs and Crime

PHILIPPINE DELEGATES – Business Sector		
1. Mr. Julian Payne	President	Canadian Chamber of Commerce of the Philippines
2. Dr. Guenter Matschuck	President	German Philippine Chamber of Commerce
3. Lillian S. Linsangan	President	Association of Certified Fraud Examiners
4. Atty. Elmer D. Nitura	Founding Member	Good Governance Advocates and Practitioners of the Philippines
5. Mr. Angel Veloso	Chairman	Philippine Associated Smelting & Refining Corporation
6. Mr. Ricky Alegre	Chairman	AdBoard
7. Mr. Jones Campos	Executive Director	AdBoard
8. Mr. Alberto Reyno	Managing Principal	ADFIAP Consulting
9. Mr. Augusto Manalo	President	Philippine Constructors Association
10. Ms. Maria Victoria Espano	Chairman & CEO	Punongbayan & Araullo

DEVELOPMENT PARTNERS		
ADB	1. Mdme. Clare Wee	Director, Office of Anticorruption and Integrity
USAID	2. Mdme. Gloria Steele	Mission Director
	3. Mdme. Ria Orca	Program Management Specialist Governance
World Bank	4. Mr. Jesse Ang	Resident Representative of International Finance Corporation
UNDP	5. Mr. Samuel de Jaegere	Anti-Corruption Specialist, UNDP Asia-Pacific Regional Centre
UNIDO	6. Ms. Renea Cruz	Consultant
Integrity Initiative	7. Mr. Peter Perfecto	Program Director
	8. Edward Gacusana	Project Coordinator
	9. Roy Villafania	Project Assistant

DIPLOMATIC CORPS	Designation
1. Hon. Yap Wei Sin	First Secretary (Political and Economic), Embassy of Malaysia
2. Hon. Tran Le Phuong	First Secretary, Embassy of Vietnam
3. Hon. Tingtin Xia	Third Secretary, Embassy of the People's Republic of China
4. Hon. Jing Guo	Third Secretary, Embassy of the People's Republic of China
5. Hon. Anthony Weymouth	Senior Trade Attache, Embassy of Australia
6. Hon. Vivianto Tampubolon	Trade Attache, Embassy of the Republic of Indonesia

ANNEX F. PROFILE OF SPEAKERS

Atty. Alan R. Cañares

Atty. Cañares is the Acting Director of the Research and Special Studies Bureau, Office of the Ombudsman since August 2008. He authored several anti-corruption publications that include the *Primer on Anti-Graft and Corrupt Practices Act*, the *Primer on the Filing of Statements of Assets and Liabilities*, and the *Frequently Asked Questions on the Integrity Development Review*. He served as resource speaker in several Seminar-Workshops on Anti-Graft Laws, Corruption Prevention, Integrity Development, and Public Accountability.

Mr. Shao Chunbao

Mr. Chunbao is the Director General, Supervision Office, China Telecommunications Company. Prior to that, he has served as Director General of the Supervision Bureau of the State Assets Supervision and Administration Commission from 2007 – 2012. He has also served in the following institutions:

- 2001-2007, Deputy Division Director General, Central Commission of Politics and Laws, Communist Party of China
- 1996-2001, Director, General Office and Organization Bureau, Central Organization Department, Communist Party of China
- 1992-1996, Director, General Office of Shanxi Provincial Committee, Communist Party of China
- 1989-1992, Deputy Director, Research Unit, Party School of Taiyuan City, Shanxi Province

Mr. Samuel De Jaegere

Mr. De Jaegere is an Anti-Corruption Specialist at the UNDP Asia-Pacific Regional Centre in Bangkok, providing technical support to countries in Asia. He edited the UNDP Guidance Note on UNCAC Self-Assessments and co-authored the UNDP Practitioner's Guide on Capacity Assessments for Anti-Corruption Agencies. He created the Asia-Pacific Integrity in Action Network (AP INTACT) with over 450 members to share knowledge and information, and developed the recently launched global anti-corruption portal (www.anti-corruption.org).

Samuel holds a Master's Degree in Law from the University of Leuven (Belgium) and a European Master's Degree in Human Rights and Democratisation from the European Inter-University Centre in Venice (Italy). He also worked in UNDP HQ (New York), UNDP Niger (Africa), the UN Human Rights Commission (Geneva) and the UN General Assembly (New York).

Mr. Pablo Gomez

Mr. Pablo Gomez is the Regional Prosecutor of Valparaíso, Chile. He has been working for 10 years in the Public Prosecutor's Office and has a master's degree in criminal law from the Universidad Catolica de Valparaiso.

Mr. Shervin Majlessi

Mr. Majlessi is the Regional Anti-Corruption Adviser at UNODC's Regional Centre for East Asia and the Pacific in Bangkok since August 2011. Before taking up his position in Bangkok, he managed UNDP's Accountability and Transparency Project in Kabul, Afghanistan (on secondment). Within the UN system, he has served at New York Office of the UNODC and at the Office of the UN High Commissioner for Human Rights (OHCHR) in Geneva, focusing on good governance/corruption issues. Prior to joining the UN, he was a deputy counsel for the Independent Inquiry Committee into the UN Oil-for-Food Programme (Volcker Committee) and has also worked for the Department of Institutional Integrity of the World Bank and in private legal practice.

Mr. Majlessi holds a PhD and a master of laws in international economic law from McGill University (Canada), a master of laws in international finance from Harvard Law School (USA) and a bachelor of law and master of public international law from University of Tehran (Iran).

Mr. Peter Perfecto

Mr. Perfecto is the Executive Director of the Makati Business Club since January 1, 2011. He is also serving as Executive Assistant to the President of PHINMA Properties since 2007 and as Lead Staffer of ABAC Philippines since 2011. His past experiences in the field of business include the following:

- Vice President, PHINMA Foundation, Inc – August 1, 2010 – December 31, 2010
- Program Director, PHINMA Foundation, Inc – June 16, 2007 – July 31, 2010
- Executive Director, Philippine Business for Education (PBE) – June 16, 2006 – December 31, 2011
- Director III, Media & Public Affairs Staff, Office of the Presidential Adviser on the Peace Process (OPAPP) – August 1, 2005 – June 15, 2006
- Acting Executive Director, YouthAid, Inc – July 2004 – August 2005
- Director, GiveAsia, Inc – September 2002 – 2004
- Chief Operating Officer, DevCap Asia, Inc – January 1997 – December 2004
- Kaibigan Card Project Manager, Amnesty International Philippine Section – January 2000 – October 2002
- Executive Director, Amnesty International Philippine Section – August 1987 – February 1998

Ms. Phung Thi Lan Phuong

Ms. Phuong is currently an officer of the Vietnam Chamber of Commerce and Industry. She holds a Bachelor's degree in External Economics. She has been involved in international trade issues for the past five years. Her involvement includes raising awareness of business associations and enterprises on international trade integration, planning and organizing advocacy campaigns to enhance the participation of private sectors into the process of policy making, negotiating and implementing international trade commitments of the Government and advising business associations and enterprises on important trade issues like anti-dumping, anti-subsidy and safeguard measures.

Mr. Peter Rooke

Mr. Rooke practiced as a corporate lawyer for 35 years in Europe, Africa and the Middle East. For over 20 years he was a partner at law firm Clifford Chance responsible for international offices. He advised multinational corporations and governments on transnational commercial transactions in the oil and gas and other sectors. Since he retired from legal practice in 1993, Mr. Rooke has worked as a volunteer for Transparency International. He co-founded TI Australia and was its inaugural CEO. He has been an international Board member and also Asia Pacific Regional Director of TI. Mr. Rooke helped develop TI's Asia Pacific network of over 20 national chapters. He represented TI on the ADB-OECD Anti-Corruption Initiative for Asia and the Pacific, the APEC Anti Corruption Taskforce and other fora. He also represented TI at the negotiation of UN Convention Against Corruption, at the OECD and in various other activities relating to trans-national corruption and economic crime. Mr. Rooke is currently Senior Adviser to the International Group at TI.

Mr. Shaharuddin Khalid

Mr. Shaharuddin is currently the Director of the Inspection and Consultancy Division of the Malaysian Anti-Corruption Commission. He has presented a working paper during OECD Meeting at Paris on the Government Initiative on Corruption Prevention. He has also represented Malaysia in the APEC Meeting in Small and

Medium Enterprise (SME) Partnership Between Government and Private Sector. He has also been involved in operation border countries with Malaysia such as Singapore, Indonesia, and Brunei in preventing corruption. He also led the operations of the Royal Malaysian Customs Department to improve the system and procedure in order to prevent the corruption in that department.

Ms. Gloria Steele

Ms. Gloria Steele is the first Filipino-American mission director since USAID began its work in the Philippines in 1961. Prior to her assignment in Manila, she headed the Bureau for Global Health at the USAID headquarters in Washington, DC, as the highest-ranking career officer and held the same position in the Bureau for Europe and Eurasia. She started her career in the USAID as an agricultural economist for the Bureau of Africa, and subsequently oversaw applied research on key rural development issues such as food security, land tenure, and rural savings mobilization. She played an instrumental role in designing and negotiating the Partnership for Growth, a new bilateral engagement between the Philippines and U.S. Governments.

Ms. Clare Wee

Ms. Clare Wee is the Director of the Office of Anticorruption and Integrity (OAI) at the Asian Development Bank (ADB). OAI is the focal point in ADB's drive against corruption and for dealing with alleged incidents of corruption or fraud in its projects or by its staff. Ms. Wee joined OAI from ADB's Office of the General Counsel (OGC), where she was Assistant General Counsel when she left OGC (2005 – 2007). Prior to joining ADB, Ms. Wee practiced law in New York City with the law firm Whitman, Breed, Abbott & Morgan. She has an interest in governance and insolvency law, and her articles have been published in International Lawyer, Asia Pacific Insolvency and Restructuring News; Global Insolvency Restructuring Review; Global Turnaround, and Globe White Page. She studied law at Brooklyn Law School, New York City and was admitted to the New York bar in 1992. Ms. Wee is a citizen of the Republic of Singapore.

Mr. Anthony Weymouth

Mr. Anthony Weymouth has worked for the Australian Government for 15 years. During this time, he has stayed in the United States, Mexico, Malaysia, the Pacific, Australia, and the Philippines.

He has over 25 years' experience working in international trade across a range of sectors and markets and understands the challenges of operating in different countries. He has an excellent understanding of Australia's export and investment capability and the marketing strategies adopted across a range of sectors. In his current role, as a Senior Trade Attache, he is responsible for the Philippines and Micronesia, and with his team, aims to:

- Assist Australian companies to capture increased export and investment opportunities.
- Attract productive foreign direct investment (FDI) into Australia.
- Promote the Australian education sector.

Prior to joining the Australian Trade Commission Australia, he worked for the Vestey Group (a private British Multi-National) in the Middle East where he was responsible for developing regional operational and marketing strategies.

ANNEX G. WORKSHOP GUIDE

**SHARING OF ECONOMY PROSPECTS AND EXPERIENCES IN IMPLEMENTING
THE APEC ANTI-CORRUPTION CODE OF CONDUCT FOR BUSINESS
AND FORMULATION OF AN OPERATIONAL PROGRAM**

WORKSHOP OBJECTIVES:

- Gather qualitative information on the existing anti-corruption policies and programs in APEC member economies; and
- Identify the factors that helped or hindered the implementation of said anti-corruption policies and programs
- Formulate an Operational Program that will further cascade the APEC Anti-Corruption Code of Conduct for Business in the national governments, business associations, and enterprises of APEC economies.

TIME	ACTIVITY	OBJECTIVE	GUIDE
10:00 AM 10 min.	Self-Introduction of Facilitator and Participants	To familiarize facilitator and participants with each other.	Ask participants to give their name, office or agency of affiliation, and name of APEC economy
10:10 AM 10 min.	Workshop Objectives	<ul style="list-style-type: none"> ▪ Set the context of the activity; come up with a common understanding of the objectives and house rules. 	<ul style="list-style-type: none"> ▪ The workshop objectives are as follows: <ul style="list-style-type: none"> ▪ Gather qualitative information on the existing anti-corruption policies and programs in APEC member economies; and ▪ Identify the factors that helped or hindered the implementation of said anti-corruption policies and programs ▪ Formulate an Operational Program that will further cascade the APEC Anti-Corruption Code of Conduct for Business in the national governments, business associations, and enterprises of APEC economies.
10:20 AM 5 min.	Recap of Code Provisions	<ul style="list-style-type: none"> ▪ Establish the theme of the activity 	<ul style="list-style-type: none"> ▪ Ask participants to refer to their Forum Booklet ▪ The APEC Anti-Corruption Code of Conduct for Business states that the enterprise shall prohibit bribery in any form and that it should develop a program that clearly and in reasonable detail articulates values, policies and procedures to be used to prevent bribery from occurring in all activities under its effective control.

TIME	ACTIVITY	OBJECTIVE	GUIDE
10:25 AM 20 min.	Discussion 1: Economy Prospects and Experiences in Combating Corruption	<ul style="list-style-type: none"> To elicit existing approaches of APEC economies in fighting corruption. 	<p>What are the government's laws, programs, and policies to fight corruption?</p> <p>What are the existing anti-corruption programs and policies of business associations?</p> <p>What are the specific initiatives of micro, small, and medium enterprises to prohibit bribery?</p>
10:45 AM 20 min.	Discussion 2: Facilitating Factors	<ul style="list-style-type: none"> To identify factors that facilitated efficient implementation of anti-corruption policies and programs. 	What factors helped in implementing the approaches you mentioned?
11:05 AM 20 min.	Discussion 3: Hindering Factors	<ul style="list-style-type: none"> To identify factors that hindered good organizational performance. 	<p>What factors caused difficulty or became a challenge in the implementation of anti-corruption policies and programs in your economy?</p> <ul style="list-style-type: none"> - How did you address the issues that hindered you from achieving your organizational targets and objectives
11:25 AM 20 min.	Discussion 4: Recommendations	<ul style="list-style-type: none"> To identify specific recommendations to improve the implementation of anti-corruption efforts of the APEC economies 	What actions should be taken to improve the implementation of the approaches you identified in fighting corruption?
11:45 AM	Lunch Break		
1:00 PM 45 min.	Discussion 5: Developing the Program of Action for the Implementation of the APEC Anti-Corruption Code of Conduct for Business	<ul style="list-style-type: none"> To surface possible anti-corruption programs and strategies that APEC member economies can choose from to improve the implementation of the APEC Anti-Corruption Code of Conduct for Business. 	<p>What do you see as effective programs to be implemented consisted with the APEC Anti-Corruption Code of Conduct for Business?</p> <p>What agency or organization should be primarily responsible for accomplishing the task?</p> <p>Note: Probe by Code Provisions</p>
1:45 PM 15 min.	Summing Up/ Conclusion	Verify and integrate discussion findings.	Review Final Program of Action.

REAL-TIME DOCUMENTATION TEMPLATE FOR DISCUSSIONS 1-3

CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
1. Prohibition of Bribery			
2. Program to Counter Bribery			
3a. Charitable Contributions			
3b. Gifts, Hospitality, and Expenses			
3c. Facilitation Payments			
3d. Political Contributions			
4a. Business Relationships			
4b. Communication			
4c. Leadership			

CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
4d. Financial Recording and Auditing			
4e. Human Resources			
4f. Monitoring and Review			
4g. Raising Concerns and Seeking Guidance			
4h. Training			
4i. Organization and Responsibilities			
General			

REAL-TIME DOCUMENTATION TEMPLATE FOR DISCUSSION 5

CODE PROVISION	PROGRAM	RESPONSIBLE AGENCY/ORGANIZATION
1. Prohibition of Bribery		
2. Program to Counter Bribery		
3a. Charitable Contributions		
3b. Gifts, Hospitality, and Expenses		
3c. Facilitation Payments		
3d. Political Contributions		
4a. Business Relationships		
4b. Communication		
4c. Leadership		

CODE PROVISION	PROGRAM	RESPONSIBLE AGENCY/ORGANIZATION
4d. Financial Recording and Auditing		
4e. Human Resources		
4f. Monitoring and Review		
4g. Raising Concerns and Seeking Guidance		
4h. Training		
4i. Organization and Responsibilities		
General		

ANNEX H. WORKSHOP OUTPUTS

GROUP A



Group A Members

- Mr. Pablo Gomez (Chile)
- Mr. Jujur Hutabarat (Indonesia)
- Ms. Nurdiarti (Indonesia)
- Mr. David Chua (Malaysia)
- Mr. Anton Tronin (Russia)
- Dr. Nattacha Wongwanich (Thailand)

CHILE

CURRENT EFFORTS

- APEC Anti-Corruption Code of Conduct for Business not yet been implemented
- But there is an ethical code for private companies
- Law No. 20.39 introduced criminal responsibility for bribery
- Existing rules on giving and acceptance of gifts for public officials

CHILE

HINDERING FACTORS

- Difficult to investigate cases due to absence of other enabling mechanisms

INDONESIA

CURRENT EFFORTS

- There is an existing law against bribery
- Enterprise-level initiatives to promote good corporate governance (PERTAMINA)
- Established Codes of Conduct, Corporate Governance and Gratification
- Existing system on reporting the acceptance of gifts over 1 million Rp.
- Enter into an annual agreement with employees to adhere to the code

INDONESIA

FACILITATING FACTORS

- There is an existing law against bribery
- PERTAMINA entered into a memorandum of understanding with provincial anti-corruption body
- Created a unit responsible for promoting corporate governance
- Online system accessible to company personnel

THAILAND

CURRENT EFFORTS

- Enabling anti-corruption laws (Thai Constitution, Penal Code 157, NACC Organic Law and rules on unfair competition)
- There are anti-corruption and anti-conflict of interest programs that capture most of the provisions of the code but no provision on charitable contributions
- Pledge of private companies not to pay bribe
- Active anti-corruption drive initiated by the government (i.e. business ethics integration, good citizenship program for elementary pupils)
- There is an existing witness protection program but no whistleblower program

THAILAND

FACILITATING FACTORS

- Widespread support from Thai citizens
- High public awareness

HINDERING FACTORS

- Backlogs strain the limited staff handling complaints
- Whistleblowing law not yet passed
- Use of grease payment found to be deeply rooted in Thai culture
- Some of the SMEs are so small that the government cannot get to them
- Difficult to catch the “big fish”

MALAYSIA

CURRENT EFFORTS

- Punitive and preventive actions have been taken
- Public education and awareness; To inculcate anti-corruption sentiment
- Ensure that there is no trade-off against charitable contributions
- Non-deductible expenses for Malaysia (e.g. gifts for pure entertainment); but certain gifts are allowed for promotional purposes
- Political parties or individuals receiving political contributions must have accountability
- To ensure proper procedures are followed and transparency and accountability are upheld
- We must have clear and effective communication
- Effective and visionary leadership is important
- Proper keeping of financial and auditing records in a timely manner should be made mandatory

MALAYSIA

FACILITATING FACTORS

- Work procedures, systems and SOPs created to guide responsible persons
- Continuing education, media publicity and publication of cases as a deterrent measure
- Recipients (whether organization or individuals) to ensure that they do not indulge in counter-offer or trade offs
- Promotional activities enhance business development
- Political parties are to monitor receipt of contributions and be over-all accountable
- Should have clear standard operating procedures
- Use of IT enhancers to ensure timely and effective communication
- Line of command needs to be clearly developed and understood
- Use of IT and proper accounting systems and periodic auditing should be given due emphasis

MALAYSIA

HINDERING FACTORS

- Certain aspects of work that require judgment (e.g. inspection)
- Tendency to seek short-cuts;
- tempted to use corrupted means as a means of achieving an end
- Difficult to overcome subtle means of trade-off arrangements
- Possible abuse due to classification and treatment
- Depends on the giver and recipient to own up specially if it is a strictly private arrangement
- Matters that require decision-making involving personal judgment may compromise its implementation
- Avoid misrepresentation or non-disclosure
- Difficulty in seeking senior personnel with good leadership qualities
- Ensure that there is no backlog in the upkeep of record

RUSSIA

CURRENT EFFORTS

- There is a pledge and code of conduct among business associations
- Draft law on the control of expenses of government and state-owned corporations
- Criminal liability for intermediation in bribery
- Government adopted a new Anti-Corruption Action Plan for 2012-2013 and ratified international conventions on anti-corruption

RECOMMENDED PROGRAMS

Chile

- Improve prosecution by promulgating special rules in investigating bribery
- Establish a protection program for witnesses
- Government recently adopted an Anti-Corruption Plan and ratified international conventions on anti-corruption

Indonesia

- Agreement (MOU) among state-owned enterprises to initiate anti-corruption/corporate governance efforts similar to PERTAMINA to be coordinated by Commission Against Corruption/KPK (Komisi Pemberantasan Korupsi)
- Develop punish and reward system to improve enforcement of the rule

GROUP B

CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
Prohibition of Bribery (cont'd)	Vietnam: Anti-corruption law passed in 2005 with provisions on anti-corruption on specific fields	VCCI helps in the promotion and awareness building of anti-corruption initiatives	
	Vietnam Chamber of Commerce and Industry (VCCI) conducts the following: <ul style="list-style-type: none"> Annual Survey on the Current State of Anti-Corruption 		
	<ul style="list-style-type: none"> Provincial Competitiveness Index (PCI) a critical tool for measuring and assessing the standards of economic governance in Vietnam's 63 provinces 	<p>VCCI conducts the PCI yearly. The provincial level results of the survey initiated competition among provinces and consequently encourage transparency and effectiveness of the business environment.</p> <p>Results can be used as indicator for foreign investors to invest in good performing enterprise.</p>	
	<ul style="list-style-type: none"> VCCI conducts Survey on Ministerial Effectiveness Index regarding the issuance and implementation of business laws of ministries 	Vietnam Prime Minister issued a directive allowing business enterprises to give feedback on government ministry performance	Negative reception by heads of government
	Vietnam: There is low awareness of the APEC Code of Conduct in Vietnam, however, there are Internal regulations against corruption through enterprise-level Business Code of Conduct with provisions on gift giving, promotion, and charitable contributions.	<p>More programs in enhancing awareness of leaders of companies</p> <p>Improve capacities of companies</p> <p>Some programs to aid companies in drafting internal regulations</p>	

CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
	<p>Russia: Drafted Anti-corruption Chapter for Business for the Russian Business Associations</p> <p>The document seeks to provide guidance on business ethics for all association member enterprises.</p> <p>Membership to the commission is voluntary but once a member, business enterprises are required to adhere to the provision of the Anti-corruption Chapter for Business.</p>	<p>The initiative is independent from the government.</p> <p>The document is adopted and signed in the International Investment Forum</p>	
	Philippines, Indonesia and Singapore: Laws to prevent anti-corruption are in place		
	Thailand: The Thai Chamber, Thai Industry and Thai Banks collaborated on the fight against corruption		
1. Program to Counter Bribery	<p>Philippines: 1500 business enterprises including AFE signed to an Integrity Pledge which includes provisions for enterprise to adopt a Unified Code of Conduct</p> <p>Private organizations such as the Makati Business Club and the Management Association of the Philippines conducts advocacy for judicial reform in partnership with the Supreme Court.</p>	<p>The Department of Education required their suppliers to sign the pledge. Other government agencies such as the DPWH plan to follow suit.</p> <p>Signatories to the Integrity Pledge will be subject to an independent evaluation later on to monitor the extent of implementation of the Unified Code of Conduct</p>	There is a need to parallel efforts from both private and public sector

CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
	Indonesia: Enterprises have specific corporate governance manuals and rules and regulations for employees		In reality, it is difficult to implement policies
	Thailand: Corporate Governance Award as joint project of NAC with the Thai Chambers Integrity Awards for companies in the private sector conducted by the NAC Promoting of Code of Conduct by a Committee in the Thai Chamber.		
	Singapore: Corrupt Practices Investigation Bureau of the Singapore government strictly monitors the implementation of anti-corruption laws	Rigid rules on penalties are in place for violations of the provisions Strict implementation	Problems on corruption are more complex due to advancement in technology
3b. Charitable Contributions			
3c. Gifts, Hospitality, and Expenses	Indonesia: Specified in the Code of Conduct developed in cooperation with Commission on Anti-Corruption ,		
3d. Facilitation Payments	Indonesia: Specified in the Code of Conduct developed in cooperation with Commission on Anti-Corruption		Facilitating payments are hard to control
3e. Political Contributions	Singapore: There is an existing law regarding political contributions		
4a. Business Relationships	Philippines: Contained in the provisions of the Unified Code of Conduct		

CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
4b. Communication			
4c. Leadership			
4d. Financial Recording and Auditing	Philippines: Contained in the provisions of the Unified Code of Conduct		
4e. Human Resources			
4f. Monitoring and Review	Philippines: Contained in the provisions of the Unified Code of Conduct		
4g. Raising Concerns and Seeking Guidance	Indonesia: Specified in the Code of Conduct developed in cooperation with Commission on Anti-Corruption		
	Philippines: Whistleblowing Tool (Proactive) was pilot tested by some signatories to the pledge. The tool was developed by an auditing firm		
	Vietnam: Conduct of training programs on increasing awareness of private enterprise on the effects of corruption	Partnerships with donors to provide funding support	Employees are not sent in unfunded training programs
4h. Training	Vietnam: Increasing awareness of enterprises on the importance of fighting corruption in the private sector through trainings, forums		
	Vietnam: Research handbooks for enterprise were developed. All VCCI initiatives are published in the website		

CODE PROVISION	ACTION	FACILITATING FACTORS	HINDERING FACTORS
(Continuation of 4h)	Philippines: Contained in the provisions of the Unified Code of Conduct		
	<p>Thailand: A convention on anti-corruption in the private sector was held in 2011 and this year a National Anti-corruption Day is held</p> <p>Awareness of business ethics and developing Code of Conducts in Business are introduced in universities</p> <p>The Office of the National Anti-Corruption Inc. conduct information dissemination and education of the private sector on anti-corruption</p>		
4i. Organization and Responsibilities			
General			

GROUP C

Group C

- Facilitator: Dr. Jean Franco
- Documentor: Day Tantungco
- Members:
 - Mr. Shao Chunbao – People's Republic of China
 - Mr. Zhou Congyuan – People's Republic of China
 - Mr. Zhong Qingming – People's Republic of China
 - Ms. Miranda Tanjung – Indonesia
 - Mr. Jones Campos – Philippines
 - Mr. Steven Kilanda – Papua New Guinea
 - Mr. Nipon Thamassri - Thailand

Country Prospects and Experiences in Combating Corruption

People's Republic of China

Anti-Corruption Initiatives	Facilitating Factors	Hindering Factors
<ul style="list-style-type: none"> • National Integrity System • Anti-corruption is one of the priorities of the government • There is a Special Committee on Anti-Corruption that works together with the ministries and departments for anti-corruption work • Special Campaign to counter Commercial Bribery 	<ul style="list-style-type: none"> • Legislative branch and ministries work together on anti-corruption • Anti-Corruption Academy was recently opened – training for State Owned Enterprises on Prohibition of Commercial Bribery • Strong political will of government • Involvement of civil society: media, private sector, NGOs 	<ul style="list-style-type: none"> • Traditional culture such as gift giving • Increasing public expectations

Country Prospects and Experiences in Combating Corruption

People's Republic of China

Anti-Corruption Initiatives	Facilitating Factors	Hindering Factors
<ul style="list-style-type: none"> • Companies are required to have a Code of Conduct • Internal auditing mechanisms for State Owned Enterprises; inspection tour from central government to inspect companies especially leaders • Whistleblowing protection • Training program for employees on Anti-Corruption Laws and Regulations 		

Country Prospects and Experiences in Combating Corruption

Philippines

Anti-Corruption Initiatives	Facilitating Factors	Hindering Factors
<ul style="list-style-type: none"> • Government platform to eradicate corruption • Internal Revenue examiners look into books of private companies—improvement on how they conduct themselves • Integrity Initiative • Information campaign on how to properly deal with law enforcement agencies 	<ul style="list-style-type: none"> • President is model of anti-corruption • Consistent communication campaign of laws and regulations 	<ul style="list-style-type: none"> • Culture: paternalistic, values that can be both positive and negative ("give and take" relationship); accommodation can sometimes go beyond what is legal; some circumvent laws • Lack of Education: people forget to abide by the laws

Country Prospects and Experiences in Combating Corruption

Thailand

Anti-Corruption Initiatives	Facilitating Factors	Hindering Factors
<ul style="list-style-type: none"> • Collective action to fight corruption: 70 companies have signed the pledge • Anti-Corruption Day • Code of Ethics for Public Sector; serious offense if the Code is breached • Government officials cannot receive more than USD 100 (3,000 Baht) in gifts per occasion • prohibition on abuse of authority of political persons 	<ul style="list-style-type: none"> • Thai Chamber of Commerce and network of private companies work together for anti-corruption in private sector • SMEs are informed about regulations by a Special Unit 	<ul style="list-style-type: none"> • Culture: "Tea Money" – grease payments

Country Prospects and Experiences in Combating Corruption

Papua New Guinea

Anti-Corruption Initiatives	Facilitating Factors	Hindering Factors
<ul style="list-style-type: none"> • Law prohibiting bribery • recently set-up Task Force Swift to investigate corruption 	<ul style="list-style-type: none"> • There is a law to make the Task Force an independent body • A politician was recently prosecuted for illegal transaction with a private company (Tribal Air) 	<ul style="list-style-type: none"> • Public servants are not being looked after well (low salary, no benefits) • Underpaid private employees which leads to bribery

Country Prospects and Experiences in Combating Corruption

Indonesia

Anti-Corruption Initiatives	Facilitating Factors	Hindering Factors
<ul style="list-style-type: none"> • There is an agency for anti-corruption • Whistleblowing policy and witness protection program 	<ul style="list-style-type: none"> • 100% conviction rate) prosecution including 90 persons from private sector and 60 parliament members • Prevention campaign: educate students • Partnership with Chamber of Commerce 	<ul style="list-style-type: none"> • Bad political system

Recommendations

- Education and Communication Campaign to counter corruption and bribery
 - Start with basics of good manners and right conduct among young people
 - review of curriculum to see if anti-corruption is integrated
 - advocate through Public Relations/ advertisement the Code of Conduct
- International Cooperation
- Volunteerism
- Public-Private Partnership
- Improve Tax Administration

Programs to Promote the APEC Code of Conduct for Business

- Document Best Practices in Combating Corruption (from Private Sector, Public Sector and Civil Society), as well as Types/Examples of Corruption in every country
- Mentoring program for countries that do not have anti-corruption programs
- Continued meetings/ forums and include representatives from companies
- Sharing of information on Code of Conducts among SMEs in the region

GROUP D

Group D

Mr. Muhamad Hisham Sulaiman
Madame Chiao-Hsuan Lee
Madame Fan Yi-Kai
Mr. Mas Achmad Daniri
Mr. Elmer Nitura
Mr. Alberto Reyno
Madame Tan Chai Ying
Mr. Shaharuddin Khalid

Actions (Legal Frameworks)

- **Malaysia**
 - Malaysian Anti-Corruption Commission Act of 2009
 - Whistle Blowing Act of 2010
 - Witness Protection Act of 2010
- **Chinese Taipei**
 - Anti-Corruption Act of 1963
 - Witness Protection Act of 2000
 - Anti-Corruption Informant Reward and Protection Regulation of 1979
- **Singapore**
 - Prevention of Corruption Act
 - Confiscation of Benefits Act

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- **Singapore**
 - Prevention of Corruption Act
 - Confiscation of Benefits Act

- **Brunei Darussalam**
 - Prevention of Corruption Act
 - CARO – Criminal Asset Recovery Order of 2012
 - Public Service Commission Act Chapter 83
- **Indonesia**
 - Law on eradicating corruption No. 20 of 2001
- **Philippines**
 - Anti-Graft and Corrupt Practices Act
 - Law on Ethical Standards of Public Officers
 - Civil Service Law
 - Anti Red Tape Act of 2007
 - Anti Money Laundering Act
 - Law against Drugs and Narcotics
 - Revised Penal Code

Law and Program Implementation

Economy	Facilitating Factors	Hindering Factors
Malaysia	<ul style="list-style-type: none"> Strong political will Cooperation from the public 	<ul style="list-style-type: none"> Public cooperation
Chinese Taipei	<ul style="list-style-type: none"> Dedicated anti-corruption body was in place 	<ul style="list-style-type: none"> Concern of bottom-line among companies
Indonesia	<ul style="list-style-type: none"> Special Court of Corruption is in place Presence of a legal framework on corruption by the enactment of the law on the protection of witness Strong political will Full commitment of the leaders Public awareness 	<ul style="list-style-type: none"> There is a need for political parties to be empowered on good governance

Law and Program Implementation

Economy	Facilitating Factors	Hindering Factors
Singapore	<ul style="list-style-type: none"> Strong political will from the leaders Support of the leaders and the people 	<ul style="list-style-type: none"> Increase in complexity of the corruption offenses committed
Brunei Darussalam	<ul style="list-style-type: none"> Strong political will Public awareness program: Corruption prevention education in the national education system Integrity development center establishment in 2009 Independence of the anti-corruption bodies 	<ul style="list-style-type: none"> Public perception that the anti-corruption agencies are not doing well (the catch of big vs small fishes) Delays in the investigation and subsequently prosecution due to complexity of corruption cases Political intervention

Law and Program Implementation

Economy	Facilitating Factors	Hindering Factors
Philippines	<ul style="list-style-type: none"> Political will of the topmost official Anti-corruption bodies and specialized courts Increased vigilance and awareness of the private sectors Social Media Internationally accepted accounting principles and the requirement of the conduct of external audit for private business and for the public sector is the commission Banks accept only audited financial statements for loan transactions 	<ul style="list-style-type: none"> Resource/budgetary constraints to conduct investigation and prosecution Delay in the prosecution of cases because of the procedural laws Clogged court dockets Literacy of SMEs on the requirements of the accounting principles and the cost of compliance Focus on bottom-line Absence of clear guidelines For SMEs: Code of Conduct is unheard of Beyond complying is the enforcement: there is a need to develop advocacies on the part of SMEs

List of Suggested Programs

Program	Responsible Agency/Organization
Installation of External Audit Mechanism for the private sectors	Independent/Professional Associations and Chambers
Education awareness program on Ethics and Integrity for the public and private sector	Government agency in partnership with private organizations
Community Outreach	Government agency in partnership with private organizations
Establishment of monitoring entities (using PPP approach)	Government regulatory agencies in collaboration with chambers, NGOs professional associations, and Development Partners
Continuous capacity building program on APEC member economies on ethics and integrity	Professional associations and chambers in cooperation with Development Partners

List of Suggested Programs

Program	Responsible Agency/Organization
Development, implementation and monitoring of programs on cost-effective training and enforcement mechanisms for SMEs	Professional associations and chambers in cooperation with Development Partners
Harmonized Code of Conduct for SMEs in partnership and consultation with the SMEs (PPP approach) – The APEC code of conduct is the template	Government regulatory agencies in collaboration with chambers and professional associations
Incentives Program for Compliant SMEs (i.e., tax incentives, "Green Lanes")	Government regulatory agencies in collaboration with chambers and professional associations
Integrity Pledge and Integrity Pact signed by all SMEs	Anti-Corruption Agency (Integrity Institute) and the NGOs
Recognition of companies/offices who exemplified integrity and ethics	Public Sector: Government Regulatory Agency Private Sector: Professional Organizations

ANNEX I. EVALUATION FORM

FEEDBACK SURVEY

Forum on the Implementation of the APEC Anti-Corruption Code of Conduct for Business
20-21 September, 2012 | Manila, Philippines

How useful were the elements of the forum to you and your economy? Please place a check under your corresponding opinion.

	VERY USEFUL	SOMEWHAT USEFUL	NOT VERY USEFUL	COMMENTS
Corruption in the Private Sector and Business Principles for Countering Bribery , presented by Mr. Peter Rooke of Transparency International				
The United Nations global Compact and Corruption Prevention to Foster SME Development , presented by Mr. Shervin Majlessi of the UN Office on Drugs and Crime Regional Center for East Asia and the Pacific				
Supporting Anti-Corruption Initiatives in the Private Sector , presented by Ms. Clare Wee of the Asian Development Bank, Mr. Jesse Ang of the International Finance Corporation, Mr. Samuel De Jaegere of the United Nations Development Programme, Ms. Gloria Steele of the United States Agency for International Development				
The APEC Anti-Corruption Code of Conduct for Business , presented by Atty. Alan Cañares				
The Pathfinder Project of Australia, Chile and Viet Nam , presented by Mr. Anthony Weymouth of Australia, Mr. Pablo Gomez of Chile and Ms. Phung Ti Lan Phuong of Viet Nam				

	VERY USEFUL	SOMEWHAT USEFUL	NOT VERY USEFUL	COMMENTS
Prospects and Experiences of Other APEC Member Economies in Implementing the APEC Anti-Corruption Code of Conduct for Business , presented by Mr. Shao Chunbao of the People's Republic of China, Mr. Shaharuddin Khalid of Malaysia, and Mr. Peter Perfecto from the Integrity Initiative of the Philippines				
Results of the Baseline Study on the Implementation of the APEC Anti-Corruption Code of Conduct for Business presented by Mr. Antonio D. Kalaw, Jr.				
Breakout Workshop 1: Sharing of Prospects and Experiences in Implementing the APEC Anti-Corruption Code of Conduct for Business and Formulation of an Operational Program				

Please encircle the number corresponding to your rating.

1. Overall, how would you rate the project?

5 4 3 2 1
Excellent Good Satisfactory Not Good Bad

Please explain why. _____

2. How were the facilitators/experts?

5 4 3 2 1
Excellent Good Satisfactory Not Good Bad

Please explain why. _____

3. How well did the project meet its objectives?

5 4 3 2 1
Excellent Good Satisfactory Not Good Bad

Please explain why. _____

4. How appropriate were the participants for the project?

5
Excellent

4
Good

3
Satisfactory

2
Not Good

1
Bad

Please explain why. _____

5. How could this project have been improved?

6. How will this workshop benefit or change your work, organization and/or economy?

7. What, if any, changes do you plan on implementing when you return to your home economy?

8. What needs to be done next by APEC? How can we support and build on the project results?

9. What are your other comments or suggestions?

Participant information (identifying information is optional):

Name: _____

Organization/Economy: _____

Gender: M / F

*Thank you. Your evaluation is important in helping us assess this project,
improve project quality and plan our next steps.*

ANNEX J. PHOTO DOCUMENTATION

DAY 1

Opening Ceremony. The Project Overseer, Atty. Maricel Marcial-Oquendo delivers her opening remarks (left). Ombudsman Conchita Carpio Morales conveys her welcome message (right).



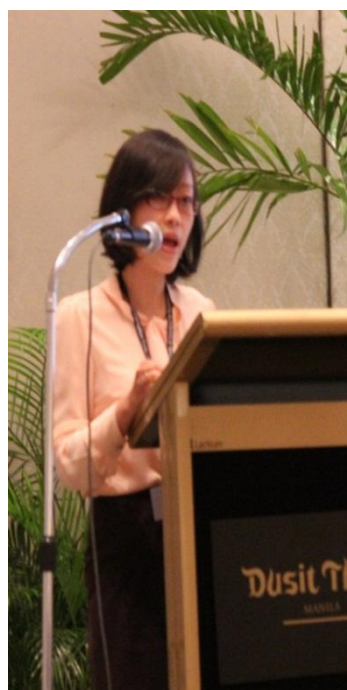
Session 1. Presentations by Mr. Peter Rooke (upper left), Mr. Shervin Majlessi (upper right) and the delegates (bottom).



Session 1. Speakers from the development sector: Ms. Clare Wee of ADB (upper left), Mr. Samuel de Jaegere of UNDP (lower left), Mr. Jesse Ang of IFC-WB (center) and Ms. Gloria Steele of USAID (right).



Session 2. Presenters on the Implementation of the APEC Anti-Corruption Code of Conduct for Business, Atty. Alan Cañares (upper right), Mr. Anthony Weymouth of Australia (lower left), Ms. Phung Thi Lan Phuong of Viet Nam (center), and Mr. Pablo Gomez of Chile (right).



Session 2 presenters on the prospects and experiences of other APEC member economies in implementing the APEC Anti-corruption Code of Conduct: Mr. Shao Chunbao of the People's Republic of China (left), Mr. Peter Perfecto of the Philippines (center), and Mr. Shaharuddin Khalid of Malaysia (right).



DAY 2

Presentation of the Results of Baseline Study. Mr. Antonio Kalaw of the Development Academy of the Philippines (right) and the participants during the open forum afterwards (right).



Breakout Workshops. Sharing of prospects and experiences in implementing the APEC Code and formulation of Operational Program.



Presentation of Workshop Results.



Closing Ceremony. The participants recite the *Pledge of Support Against Corruption* (left); Signing of the Pledge (right).



Ms. Pacita U. Juan delivers her closing remarks (left) to the forum delegates (right).



The participants of the Forum on the Implementation of the APEC Anti-Corruption Code of Conduct for Business.



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