



# **Anti-Bribery and Anti-Corruption Policy**

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## 1. INTRODUCTION

“BSP” refers to all operations, branches, subsidiary companies and joint ventures (where BSP holds the controlling interest) making up the BSP Financial Group Limited.

### 1.1 Mandate

To protect the reputation of BSP Financial Group Limited including its branches and subsidiaries (“**BSP**” or “**Group**” or “**BSP Group**”) by significantly reducing the risk of non-compliance with regulatory and governance obligations.

### 1.2 Link to the Compliance Risk Management Framework

Compliance with this Policy is an element of BSP’s Compliance Risk Management Framework (**CRMF**).

## 2. OVERVIEW

### 2.1 Purpose

BSP is committed to conducting its business in an honest and ethical manner and in accordance with all applicable laws, rules and regulations.

BSP recognises that acts of bribery and corruption are detrimental to the growth and prosperity of individuals and the organisations we are affiliated with and overall, the communities that we live in. As a business, BSP is very mindful of the consequences of bribery and corruption which may result in both financial and reputational loss and imposition of regulatory, including criminal sanctions. BSP has therefore taken a zero tolerance approach against bribery and corruption and is committed to ensuring that it fully complies with relevant global rules, sanctions and domestic laws of countries where the bank and its subsidiaries operate.

The purpose of this Anti-Bribery and Anti-Corruption Policy (the “**ABC Policy**” or “**this Policy**” or “**the Policy**”) is to reinforce and strengthen our resolve to set in place appropriate guidelines that will assist in understanding our responsibilities as well as those who we engage with and also help in dealing with issues of bribery and corruption. The Policy complements the Bank’s other related policies, in particular the **Code of Conduct** and **Core Values** that emphasise the principles of **professionalism, fairness and integrity** in our relationships and business dealings with both our internal and external stakeholders.

### 2.2 Scope

This Policy applies to the Board of Directors, all BSP employees, including Executive Management, business associates, agents and representatives (individuals and businesses doing business on behalf of BSP). Business associates include persons and entities doing business on behalf of BSP, for instance suppliers, consultants, attorneys and external auditors.

BSP expects all third parties, including business partners, service providers and contractors, to act with integrity and to undertake their business without bribery or corruption. In addition to the above, BSP will investigate reported allegations of bribery, corruption and abuse of position for personal gain, involving, or in any way connected to it. If necessary, action will be taken as a result of such investigations, including termination of relationships with third parties and reports to relevant governmental authorities or regulators.

This Policy applies in all countries where BSP operates. This is a Group Policy and sets out the minimum standards that all BSP businesses must comply with. In the event a jurisdiction has local laws, regulations or prudential guidelines that apply a stricter standard to managing bribery and corruption risk than those set out in this document, the stricter legal obligation shall prevail over the applicable minimum standard. In any case, local regulations, standards or laws must be complied with.

## 2.3 Definitions

Bribery is the offer, promise, or payment of cash, gifts, or even excessive entertainment, or an inducement of any kind offered or given to a person in a position of trust to influence that person's views or conduct or to obtain an improper advantage.

Corruption is the misuse of public office or power for private gain. Bribery and corruption may occur in various different ways, among these:

- **Cash payments** - *offering or accepting cash as an inducement to perform a task whilst in an official capacity*
- **False jobs or "consulting" relationships** - *engaging third parties to perform tasks without following set procedures and facilitating illegal payments through this arrangement*
- **Kickbacks** - *where a percentage from the contract or other financial reward is improperly returned to the person awarding that contract or benefit, e.g. company wins a new contract by promising to pay the customer's representative a cash payment.*
- **Political and Charitable contributions** - *these can be used as bribes, e.g. making a donation to a political party to support legislation that is favourable to the company.*
- **Inflated commissions** – *where higher than normal commissions are paid as a reward for improper behaviour, e.g. paying an agent extra commission knowing that it will be used to bribe someone*
- **Excessive or inappropriate entertainment** – *to influence business contacts, e.g. giving a company director and his family an expensive holiday before he makes a decision to assign a contract where the company has submitted a tender.*
- **Expensive gifts** – *to influence the recipient, e.g. receiving an expensive iPad from a customer knowing that it has been given with the intent of getting a loan application approved.*
- **Facilitation payments or "grease" payments** -*this usually involves small non-discretionary payments to government / public officials to speed up routine administrative processes, e.g. giving a government official a carton of beer to process licenses for the company ahead of others.. It should be noted that no distinction is made between bribes and facilitation payments as both are prohibited.*
- **Gifts, travel, and hospitality (entertainment)** - *offering or accepting any gift, reward or hospitality from any individual, company or organisation with whom one has contact with, as an inducement either for doing something or not doing something in an official capacity.*

If anyone covered by this policy has any doubt as to whether an action might constitute bribery or corruption, the Head of Compliance & AML must be consulted immediately for guidance.

### 3. REQUIREMENTS OF THE POLICY

#### 3.1 Registration & Declaration of Interest and Gifts

Maintaining an open or transparent culture in a work place helps in preventing acts of bribery, corruption, fraud and irregular activities. In other words, an open culture makes it less conducive for these illegal activities.

Staff at many levels will have an opportunity to influence the choice of suppliers and contractors. Members of staff must ensure that the selection of suppliers and contractors always reflects the best interests of BSP, and not the personal or family interest of any staff. It is therefore important that established policies and guidelines must be followed in all business dealings - that includes undertaking proper due diligence and complying with the requirements of the Outsourcing Policy.

Furthermore, as required also under the Managing Conflict of Interest Policy, BSP must maintain processes for Directors and staff to disclose any conflict of interest and to record gifts and benefits received during their interaction with third parties. The following processes will be put in place:

- **Disclosure of Interest Form** – these Forms ([Online Submission](#) and/or [Manual Submission](#)) must be completed by all employees **as required under the Managing Conflict of Interest Policy;**
- **Disclosure of Interest Register** – the **Company Secretary** will maintain a Register for the Directors whilst the Compliance Units (Compliance and AML Managers) of each country/subsidiary will maintain one for their staff as also required under the **Managing of Conflict of Interest Policy;** and
- **Gift/Entertainment Register** – Compliance and AML Managers of each country and subsidiary will maintain a register for their staff **as required under the Gifts and Entertainment Policy.**

It should be noted that there will be no separate registers kept under the ABC Policy as this would be a duplication of tasks.

The Head of Compliance and AML will have oversight on the maintenance of these registers and undertake annual reviews in consultation with the respective BU/Subsidiary Managers. It must be noted that the gift and interest registers will be consistent with the requirements of BSP's **Code of Conduct** and will be vital control processes used to support the implementation of both the Managing Conflict of Interest and the Anti-Bribery and Anti-Corruption policies.

Appendices **A** and **B** provide the links to the Conflict of Interest Disclosure Forms available online (both Manual and Online submission) and the register that should be maintained for disclosing and recording gifts/benefits and conflict of interest concerning management and staff.

### **3.2 Duties and Responsibilities**

BSP's Board has overall responsibility for the ethical conduct of its Directors, members of the Executive Management and staff in all relationships and business dealings. It is responsible for ensuring that BSP complies with international sanctions, standards on bribery and corruption whilst also meeting the domestic obligations under relevant domestic laws and regulations of the countries that BSP operates in. The Board will therefore ensure that this Policy is implemented and complied with by its members, senior management and staff in all countries.

The senior management of BSP is directly responsible for establishing related policies and processes, ensuring that they are observed and regular reports are provided to the Board of Directors on implementation of the policies. Senior management is also responsible for assessing and reviewing compliance of this policy as well the related policies like the Fraud and Whistleblower Policy, Managing Conflict of Interest Policy, Code of Conduct etc. in line with changes in regulation.

The Executive Management will commit to ensuring that suitable processes and systems are put in place to be able to implement the requirements of this policy and other related policies, in particular the gift and conflict of interest registers which should be key processes used for this purpose.

All Board and Senior Management directives will be implemented through the Group Compliance Strategic Business Unit. This business unit will be expected to take the lead by providing guidance, advice, and direction to promote compliance with the Policy and ensure effective reporting, escalation, and resolution of bribery and corruption compliance issues

All Board Directors, Senior Management and Staff are:

- required to familiarise themselves with the requirements of this Policy;
- prohibited from accepting, offering, promising, or paying a bribe of any kind;
- prohibited from offering gifts, entertainment or hospitality that they know or believe will be deemed unethical;
- prohibited from accepting or soliciting a bribe of any kind (and must report and register any such offers and);
- required to report any suspicion of corruption or bribery to the relevant Business Unit Manager, Head of Compliance and AML and Group General Manager Compliance. Alternatively the member of staff can follow the procedures set in BSP's Fraud and Whistleblower Policy.

Compliance by third parties will be the responsibility of BSP Directors, Senior Management and Staff to ensure that the requirements of this Policy are communicated to them and business dealings are conducted in a fair, ethical and professional manner at all times.

### **3.3 Outsourcing of Services**

All outsourcing of services must be done consistent with guidelines set out under BSP's Outsourcing Policy. Any breaches of that policy and suspicions or elements of corruption concerning any service performed by third parties must be reported immediately to the Head of Compliance and AML, and/or the relevant BU Head.

The guidelines under the Fraud and Whistleblower Policy may also be followed in reporting on bribery and corruption issues involved in the outsourcing of services with third parties.

### 3.4 Hospitality and Gifts

This Policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties and the giving or receipt of gifts, provided that this is done in accordance with BSP's Code of Conduct. Normal and appropriate hospitality and gifts would include where the hospitality or gift:

- is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- is given in the name of BSP rather than individuals;
- complies with local law and BSP's internal policies;
- does not include cash or a cash equivalent (such as gift certificates or vouchers);
- is appropriate in the circumstances. Christmas gift or gifts exchanged during official engagements by BSP and other stakeholders, for instance during Annual General Meetings and Corporate Events are good examples;
- taking into account the reason for the gift, is of an appropriate type and value and given at an appropriate time;
- is given openly, not secretly; and
- is not offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval from Senior Management.

There are however, situations where offering and accepting of gifts and hospitality are not acceptable. It is not acceptable to:

- give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any activity that might lead to a breach of this policy.

### 3.5 Facilitation and Kickbacks

It is unacceptable to make, accept and facilitate payments or kickbacks of any kind. Facilitation payments are unofficial payments made to secure or expedite a routine action or process. For instance, it may involve making a small payment to a government official to speed up the process of granting a licence or certificate. Accepting a payment from a BSP customer to process a cheque, loan or any transaction is also classified as facilitation payment and prohibited under this policy.

If a third party requests a payment to be made on behalf of BSP during a business dealing, it is important to ask and confirm what the payment is for, whether or not the amount requested is proportionate to the goods and services provided and furthermore, a receipt for the payment must be provided.

Kickbacks are typically payments made in return for a business favour or advantage. All employees must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.



Any concerns, suspicions or issues regarding such payments must be reported to the respective BU and subsidiary managers as well as the Head of Compliance and AML in the first instance. Alternatively, the guidelines of the Fraud and Whistleblower Policy may also be used to report on such payments.

### **3.6 Donations**

As a responsible corporate citizen, BSP engages with and supports charity and community initiatives aimed at improving and sustaining the lives of people and communities in which we operate. All donations must be made in accordance with, and seek approval under BSP's Marketing Policies & Procedures.

### **3.7 Record Keeping**

In line with the Statute of Limitation and BSP's internal policies, employees must keep financial records and have internal controls in place which will evidence the business reason for making payments to third parties. The following actions must be taken with recording hospitality and gifts:

- records of hospitality and gifts offered and received must be maintained in a register, (as referred to in *Section 4* above) which will also be subject to management review; This includes maintaining copies of receipts and invoices to verify payments.
- all expenses claims relating to hospitality, gifts or expenses incurred to third parties must be submitted in accordance with BSP's finance related policies and specifically record the reason for the expenditure.

All Directors, Senior Management and staff must at all times maintain proper records and submit full copies of payments (funds spent on gifts and entertainment) made (including invoices and receipts) for reconciliation and accounting purposes. Any detection of suspicious payments and misuse of company resources must be brought to the attention of the relevant Business Unit/Subsidiary Manager, Head of Group Internal Audit and Head of Compliance and AML for deliberation and possible actions.

## **4. POLICY FRAMEWORK**

BSP intends to maintain a sense of consistency in its documentation process from the development and formulation of Corporate Governance policies, Group Operating policies, SBU/Subsidiary policies and so it will adhere to an accepted template or format which will act as its framework for all current and future development of policies.

### **4.1 Interaction with other BSP Policies**

This Policy is an integral part of BSP's governance policies, which also includes the following policies that are impacted by, and which should be construed as consistent:

- Corporate Governance Principles
- Code of Conduct for Board Directors and Executive Management
- Human Resource Employees Code of Conduct
- Fraud and Whistleblower Policy
- Managing Conflict of Interest Policy
- Employee Behaviour Management Policy
- Outsourcing Policy
- Customer Due Diligence Policy

## **5. IMPLEMENTATION, TRAINING AND COMMUNICATION**

### **5.1 Policy Breaches**

All cases of alleged bribery and corruption will be investigated and followed up by the application of all available remedies. Employees, who commit an act of bribery or corruption, violate BSP's Code of Conduct and breach this policy will be subject to disciplinary action, up to and including termination with cause.

Issues or concerns of bribery and corruption raised by staff will be taken seriously and investigated. This will be done in accordance with the requirements of the Fraud and Whistleblower Policy to protect the identity of staff.

Furthermore, no employee will be adversely affected or disciplined by BSP because the employee refuses to carry out a directive which, in fact is a violation of any applicable laws or this Policy. However, anyone who files a complaint with the intention of spreading lies or to threaten or damage another person's reputation, will be the subject of disciplinary action.

Once an issue on bribery and corruption is reported, the respective Business Unit/Subsidiary Manager and the Head of Compliance and AML together with a member of the Internal Audit will investigate the matter and recommend to Human Resources for corrective or disciplinary actions to be taken. The disciplinary actions applied must be consistent with standing BSP Human Resources disciplinary policies.

All material breaches of this Policy will be reported to BSP's Board or the BSP Audit and Compliance Committee.

### **5.2 Training and Communication**

The Head of Compliance and AML will ensure that this Policy is communicated to all Board members and employees at least once per year. He/She will also ensure that appropriate and regular training is carried out for staff. Consideration of the appropriate level of training should also be given to those members of staff who are to be involved in higher-risk activities, either specifically or as part of other training. Staff dealing directly with customers at the branches, procurement, finance, Information Technology and Support Services, Compliance and AML may be categorised as those involved in higher risk activities and appropriate training should be organised for them.

### **5.3 Responsibility of the Policy**

The Head of Compliance and AML is responsible for the effective implementation of this Policy. He/ She must work in close consultation with all Business Unit/Subsidiary Managers to ensure that the requirements of the Policy are communicated, appropriate trainings are carried out, review and updates are done and reports provided to the Board and Senior Management.

### **5.4 Monitoring and Review**

Monitoring is a proactive approach by BSP to identify procedural or training weaknesses in an effort to prevent regulatory and policy breaches. As part of the quarterly compliance updates done by the Compliance and AML Business Unit, it will also require updates from the Company Secretary and the Human Resource SBU to provide updates on information declared by staff, management and the Directors. The Head of Compliance and AML will review the information and see if there is any information or issue that needs to be brought to the attention of the Senior Management and the Board.

The implementation of the Policy will be reviewed annually to ensure that:

- disclosures of interests, gifts and hospitality meet the requirements of this Policy and other relevant BSP policies

- third party service provider operations are consistent with policy;
- proper document filing and retention procedures are being maintained through administration of the registers;
- corrective measures have been taken to address reported incidents of bribery and corruption.

Changes to regulations or changes in BSP's business operations, products, or services may also trigger a review of the requirements of this Policy. Modifications that are necessary should be made expeditiously to minimize compliance risk, and applicable personnel in all affected operating units should be advised of the changes.

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**APPENDIX A – Links to the Conflict of Interest Disclosure Forms**

[Link to the Form: Conflict of Interest Declaration Form \(Manual Submission\)](#)

[Link to the Form: Conflict of Interest Declaration Form \(Online Submission\)](#)

**APPENDIX B – Disclosure of Interest Register**

Name of Employee	Description of interest	Has Senior Management been notified of the interest?	Date of disclosure	Steps taken by Senior Management for dealing with the conflict	Actions taken by the Employee to address the conflict