G20 GERMANY 2017
BUSINESS 20 DIALOGUE

Promoting Integrity by Creating Opportunities for Responsible Businesses

B20 CROSS-THEMATIC GROUP

RESPONSIBLE BUSINESS CONDUCT &

ANTI-CORRUPTION

POLICY PAPER 2017

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Foreword by the Cross-thematic Group Chair Klaus Moosmayer

Positive change is driven by transparency, accountability and openess to new ideas

We will not overcome the evil of corruption if we fight separately. Combatting corruption must be a joint effort that addresses both the supply and the demand sides of corruption. We need a closer dialog between business, government, civil society, and media in order to understand each other. Corruption and misconduct do not stop at national borders. They are global challenges that require international cooperation in order to develop adequate and effective countermeasures. The G20/B20 process is a great way to foster this dialog.

Responsible Business Conduct is a holistic concept that goes beyond anti-corruption. It is about openness, honesty and living up to the responsibility that business has towards society. It is crucial to talk about the challenges in order to be able to respond to and mitigate the risks. No organization – private or public, large or small – will ever be able to completely prevent irresponsible behavior among its employees. But exactly in such situations, Responsible Business Conduct must be proven: to handle such incidents in a professional way, to identify weaknesses, remediate and strengthen preventive measures. This is a question of culture and values.

Building alliances against corruption helps to prevent competition from being distorted by corruption and ensures that companies acting honestly and in compliance with the law are not disadvantaged. We call these efforts "Collective Action". The ultimate goal is to establish a level playing field, that is fair and sustainable market conditions in collaboration with other companies, governments and non-governmental organizations for the benefit of all market participants.

We have seen a lot of great commitments by G20 leaders over the course of the last years. We now request implementation of these commitments in national action plans and legislation, especially when it comes to improving transparency about who really owns or controls a company, encouraging companies to build effective compliance programs and promoting Responsible Business Conduct in infrastructure projects. G20 should lead to the next level in the fight against corruption, which must be a joint effort on the part of both the public and private sectors. I firmly believe that this is the way forward.

Sincerely,

Dr Klaus Moosmayer

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Chief Compliance Officer, Siemens AG

Anti-Corruption Chair of Business at OECD (BIAC)

Recommendations

Recommendation 1: Establish Beneficial Ownership Transparency – G20 members should increase their efforts to implement beneficial ownership transparency so that risks related to the ultimate owner(s) can be identified.

Policy Action 1.1: Implement Beneficial Ownership Action Plans – G20 members should continue to lead the world in realizing beneficial ownership transparency by progressively implementing their action plans, raising global standards of data quality, exploring possibilities of connecting ownership information, and monitoring implementation progress.

Policy Action 1.2: Ensure Availability of Information – G20 members should ensure easy access to, and efficient use of, beneficial ownership information by laying down clear rules governing access to information, and facilitating access for users through adequate measures and guidance.

Policy Action 1.3: Improve Exchange of Information – G20 members should facilitate the timely and effective exchange of beneficial ownership information at the national and international levels by defining or adopting data standards, providing guidance on legal set-ups in their country, and assisting developing countries in improving company registers.

Recommendation 2: Recognize Compliance Efforts – G20 members should be supportive of a company's proactive engagement by providing positive recognition of effective anti-corruption and compliance systems.

Policy Action 2.1: Acknowledge Adequate Measures – G20 members should recognize corporate compliance efforts when awarding public contracts and when imposing sanctions for breaches, and they should explore additional ways to acknowledge compliance efforts.

Policy Action 2.2: Encourage Self-disclosure and Self-cleaning – G20 members should be encouraged to harmonize their administrative and legal approaches to self-disclosure of compliance breaches, recognize effective and safe internal reporting, and support adequate self-cleaning.

Policy Action 2.3: Promote a Culture of Integrity – G20 should continue its commitment to building a global culture of intolerance towards corruption by reinforcing international cooperation, including the promotion of key international instruments, supporting the provision of capacity building and training for SMEs and in non-G20 countries, as well as improving education on anti-corruption and integrity in schools and universities.

Recommendation 3: Enhance Responsible Business Conduct in Infrastructure Projects – G20 members should increase transparency and accountability at all stages of the project cycle in order to mitigate the risk of corruption and increase efficiency.

Policy Action 3.1: Promote Responsible Government Conduct and Transparency – G20 members address the demand side of corruption and should ensure that public infrastructure projects are selected, planned, awarded and managed openly and accountably by promoting integrity in their own organizational structures and processes and by enhancing reporting about project risks, impacts, progress and costs.

Policy Action 3.2: Ensure Recognition of Responsible Businesses – G20 members should promote integrity among participating businesses by specifying requirements related to RBC, by encouraging coherent sustainability reporting, and by providing awareness training on anti-corruption and integrity.

Policy Action 3.3: Support Collective Action – G20 members should promote Collective Action, that are initiatives between different businesses, and between businesses and the public sector, which foster integrity (such as Integrity Pacts and High Level Reporting Mechanisms). G20 should initiate a study that explores joint ways of fighting corruption and misconduct in infrastructure projects.

Introduction

A growing number of companies strive to "do well by doing good", that is to enhance their performance through Responsible Business Conduct (RBC). However, their success depends heavily on their ability to compete on a level playing field. To increase the pace of positive change, the private sector needs the unambiguous support and commitment of G20 members.

Businesses are committed not only to join the fight against corruption, that is the abuse of public or private office for personal gain, but also to recognize the opportunities stemming from the important role of business in society, in leading by example and demonstrating the benefits of RBC. RBC means "that businesses should make a positive contribution to economic, environmental and social progress with a view to achieving sustainable development and that businesses have a responsibility to avoid and address the adverse impacts of their operations."[1] RBC is asking companies to become positive actors of change, emphasizing opportunities rather than risks. Many companies have integrated RBC into their overall business strategy to manage their activities in a responsible way and there is an increasing need for holistic ways to identify, rank and manage multiple corporate risks, taking due account of RBC aspects. It is vital for businesses to promote a cultural change in business conduct – including strengthening anti-corruption compliance – and to encourage better behavior from the public-sector entities with which they deal. Compliance efforts help to foster corporate accountability and strengthen consumer and investor confidence, which is necessary for the proper functioning of a market economy. By tackling misconduct at the business level, B20 members can make a lasting impact and contribute to a culture of integrity in society.

B20 underlines the importance of effectively implementing and promoting key international instruments, such as the United Nations Convention against Corruption (UNCAC), the Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Convention, the OECD Guidelines for Multinational Enterprises and the United Nations (UN) Guiding Principles on Business and Human Rights. B20 also emphasizes the importance of voluntary initiatives, such as the UN Global Compact's Ten Principles on human rights, labor, environment and anti-corruption.

B20 calls upon G20 members to address both the demand and the supply sides of corruption. Combatting corruption is fundamental for sustaining economic stability and growth, maintaining the security of societies, protecting human rights, reducing poverty, protecting the environment for future generations and addressing organized crime. Quantifying the size or economic, political and social costs of corruption is extremely difficult due to the methodological challenges inherent to the measurement of such a hidden phenomenon. It is frequently cited that the overall cost of corruption is estimated at more than five percent of global gross domestic product (GDP) (USD 2.6 trillion) with over USD 1 trillion paid in bribes each year.[2] Corrupt behavior leads to suboptimal economic performance wherever it is present. It is estimated to raise the costs of doing business by up to ten percent[3] and affects a company's competitiveness across a number of dimensions, including its external business relations, its interaction with regulators, its public reputation, and the morale of its employees.[4]

Corruption also leads to the inefficient use of public resources and undermines the state's ability to deliver inclusive economic growth. Recent statistics indicate that systemic corruption and social inequality reinforce each other, leading to popular disenchantment with political establishments around the

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[1] Roel Nieuwenkamp, *2016: CSR is Dead! What's Next?* (OECD Insights: January 22, 2016), accessed March 24, 2017, http://oecdinsights.org/2016/01/22/2016-csr-is-dead-whats-next/. Details of this concept can be found in the OECD Guidelines for Multinational Enterprises.

[2] OECD, *The Rational for Fighting Corruption* (CleanGovBiz: Background Brief 2014), accessed February 21, 2017, http://www.oecd.org/cleangovbiz/49693613.pdf.

[3] Ibid.

[4] Carmen Nobel, *The Real Cost of Bribery* (Forbes Media LLC, 5 November 2013), accessed March 20, 2017, http://www.forbes.com/sites/hbsworkingknowledge/2013/11/05/the-real-cost-of-bribery/#7f51a29a7dce.

world.[5] Moreover, when systemic corruption affects virtually all state functions, distrust of the government can become so pervasive that it can lead to violence, civil strife, and conflict, with devastating social and economic implications. At a time of rising inequality in income and wealth, citizens in many countries have taken to the streets and are sending a powerful signal to their leaders that they will no longer tolerate corruption.[6]

RBC and anti-corruption are crucial for achieving the three pillars of the German G20 Presidency – ensuring stability, improving viability for the future, accepting responsibility – and indispensable for a future-oriented, sustainable world economy. The private sector has consistently called upon governments to effectively address the demand side and promote responsible government conduct. G20 members must improve accountability, efficiency, management and transparency in public administration and implement methods for detecting, investigating, prosecuting, and penalizing misconduct by public officials. In particular, G20 members need to ensure that public officials do not abuse their office for private gain. They must increase their efforts to implement the 2013 G20 Guiding Principles to Combat Solicitation and address the practical difficulties faced by companies when reporting bribery solicitation.

With regard to the supply side, G20 members should be supportive of business efforts to engage in RBC and anti-corruption. They should provide clear guidance to businesses on what is expected of them and what credit they can receive. Integrity, transparency, and accountability will only flourish if initiatives from the private sector go hand in hand with initiatives from governments and other professionals[7], developing globally accepted principles and good practices for both the public and private sectors.

Recognizing that RBC and anti-corruption cover a wide range of issues, the Cross-thematic Group (CTG) chose to focus on a selected number of specific matters to generate tangible impact and concrete follow-up action: establishing beneficial ownership transparency, recognizing compliance efforts and enhancing RBC in infrastructure projects.[8] These priorities are in line with the work of the G20 Anti-Corruption Working Group (ACWG) as laid out in its Action and Implementation plans for the 2017–18 period. With the support of G20 members, B20 can contribute significantly to achieving the Sustainability Development Goals (SDGs)[9] by 2030, in particular goal 9.1, which seeks to "develop quality, reliable, sustainable and resilient infrastructure", goal 16.5, which seeks to "substantially reduce corruption and bribery in all their forms" and goal 16.6, which seeks to "develop effective, accountable and transparent institutions at all levels".

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[5] Transparency International, *Transparency International Corruption Perceptions Index 2016* (25 January 2017), accessed March 24, 2017, https://www.transparency.de/Pressemitteilung-Transparency.2829.0.html; and Edelmann, *2017 Edelman Trust Barometer*, 15 January 2017, accessed March 24, 2017, http://www.edelman.com/trust2017/.

[6] Vitor Gaspar and Sean Hagan, *Corruption: Costs and Mitigating Strategies* (International Monetary Fund (IMF) Staff Discussion Note, May 2016), accessed March 24, 2017, https://www.imf.org/external/pubs/ft/sdn/2016/sdn1605.pdf. The G20 has addressed the idea of inclusive growth and sustainable development, for example, in the 2016 G20 Inclusive Business Framework.

[7] For example, professional accountants contribute to strong national governance architectures that confront corruption. International Federation of Accountants (IFAC), *The Accountancy Profession – Playing a Positive Role in Tackling Corruption*, accessed March 1, 2017, https://www.ifac.org/system/files/publications/files/IFAC-The-Accountancy-Profession-Playing-a-Positive-Role-in-Tackling-Corruption.pdf.

[8] The CTG also provided input to other B20 task forces on the key topics of human rights and integrity in customs.

[9] UN, *Transforming our World: the 2030 Agenda for Sustainable Development*, accessed February 24, 2017, https://sustainable-development.un.org/post2015/transformingourworld.

Recommendation 1: Establish Beneficial Ownership Transparency

G20 members should increase their efforts to implement beneficial ownership transparency so that risks related to the ultimate owner(s) can be identified.

Policy Actions

1.1	**Implement Beneficial Ownership Action Plans:** G20 members should continue to lead the world in realizing beneficial ownership transparency by progressively implementing their action plans, raising global standards of data quality, exploring possibilities of connecting ownership information, and monitoring implementation progress. • G20 members should align Beneficial Ownership Action Plans with Financial Action Task Force (FATF) recommendations and the proposals that were made to G20 Finance Ministers in October 2016. • G20 members should improve the quality of their company registers so that they provide high-quality data. Members should also explore possibilities of linking and centralizing ownership information. • G20 should ask a relevant third party (such as the World Bank) for a review of implementation progress before the 2018 G20 Summit.

Owner: G20, G20 members[10]/international organizations	**Timing** 2017/18

1.2	**Ensure Availability of Information:** G20 members should ensure easy access to, and efficient use of, beneficial ownership information by laying down clear rules governing access to information, and facilitating access for users through adequate measures and guidance. • G20 members should specify user access rights to beneficial ownership information. • Users should have adequate tools and guidance to access and analyze this data quickly. • G20 members should define technical and organizational measures to ensure easy access for authorized users, both nationally and internationally.

Owner: G20 members	**Timing** 2017/18

1.3	**Improve Exchange of Information:** G20 members should facilitate the timely and effective exchange of beneficial ownership information at the national and international levels by defining or adopting data standards, providing guidance on legal set-ups in their country, and assisting developing countries in improving company registers. • G20 should agree on international standards relating to data privacy and data handling with regard to the exchange and processing of basic and beneficial ownership information. • G20 members should publish information on legal set-ups in their country, including risk profiles, reporting requirements, sources of basic and beneficial ownership information, and access rights. • G20 members should support developing countries with the creation and maintenance of reliable company registers by promoting beneficial ownership transparency with technical and financial assistance.

Owner: G20[11], G20 members	**Timing** 2017/18

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[10] Ownership by G20 governments: differentiated action by individual governments in their own right.
[11] Ownership by G20: Collective action via the G20 process (such as elaborating principles, action plans, or toolkits).

Context

Organizations need to know with whom they are dealing, that is who really owns or controls an entity. Opaque corporate set-ups allow individuals to conceal interests, mandates or activities as well as to disguise and convert the proceeds of illegal activity such as money laundering, tax evasion, terrorist financing and bribery. A lack of adequate information about corporate entities – such as companies, trusts, foundations, partnerships, and other legal persons and arrangements – also leads to a broader range of risks such as fraud, conflicts of interest, financial exposure and misallocation of capital.

Companies rely on accurate and up-to-date ownership information to meet due diligence obligations on third parties and responsibly manage the legal and reputational risk associated with them.[12] Third-party misconduct can lead to severe reputational damage and, in many jurisdictions, the organization may also be held liable for acts of corruption and misconduct by third parties. Improving the quality and availability of corporate ownership information would reduce the resources necessary for adequate due diligence – especially for small and medium-sized companies (SMEs) – and significantly improve the identification and evaluation of risks related to the ultimate owner(s). In addition, the requirement for disclosure of beneficial ownership information could serve as a deterrent for the misuse of corporate entities.

Basic ownership information includes the company name, proof of incorporation, legal form, and status, the address of the registered office, basic regulating powers, and a list of directors (plus legal owners or shareholders in certain cases). The concept of beneficial ownership refers to the small number of cases[13] in which a company's beneficial owners are distinct from its legal shareholders, for example, when the shareholder is a legal person. It requires the identification of the ultimate natural person(s) who exercise(s) influence over the legal entity, that is the person(s) who ultimately[14] own(s) or control(s) a legal entity and/or the person on whose behalf a transaction is conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.[15] Exercising influence generally requires either an ownership or a control prong.[16] In some cases, ownership leads to a (sometimes) complex corporate structure that could have been set up to disguise the "real" owner.

Promoting the transparency of beneficial ownership has been a high priority for G20 and B20 since 2013 (see Exhibit 1). B20 has been calling for a global approach to beneficial ownership transparency since 2014 and has strongly supported the 2014 G20 High-Level Principles on Beneficial Ownership Transparency. G20 members were leaders in this area when they agreed the G20 High-Level Principles on Beneficial Ownership Transparency in 2014. The G20 Anti-Corruption Action Plan 2017/18 and the G20 Anti-Corruption Implementation Plan 2017/18 include full implementation of the FATF Recommendations on Transparency and Beneficial Ownership and the G20 High-Level Principles on Beneficial Ownership Transparency. These plans promote the identification of true beneficial ownership and control of entities wherever they are located. Further progress was made at the London Anti-Corruption Summit in May 2016, which, among other topics, called for firm Collective Action to increase beneficial ownership

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[12] A list of 15 business use cases for enhanced beneficial ownership transparency was collected by the 2015 B20 work stream on beneficial ownership transparency. Christine O'Connell and Tom Golding, *Putting Beneficial Ownership Transparency into Practice* (B20 2015), accessed February 28, 2017, http://bteam.org/wp-content/uploads/2015/11/B20-Beneficial-Ownership-in-Practice.pdf.

[13] An estimated 7.5 percent of all shareholdings in the United Kingdom represent unregistered beneficial ownerships. John Howell & Co. Ltd., *Costs of Beneficial Ownership Declarations*, commissioned by Global Witness (2013), accessed March 24, 2017, https://www.globalwitness.org/sites/default/files/library/Cost%20of%20Beneficial%20Ownership%20Declaration%20Report.pdf.

[14] The term "ultimately" refers to situations in which ownership/control is exercised through a chain of ownership or by a means of control other than direct.

[15] FATF, *The FATF Recommendations*, Glossary (February 2012), accessed March 24, 2017, http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF_Recommendations.pdf.

[16] A beneficial owner is either defined as an individual, if any, who directly or indirectly owns a certain percentage (often 25 percent) or more of the equity interests of a legal entity (ownership prong) or an individual with significant responsibility to control, manage or direct a legal entity (control prong).

transparency.[17]

A growing number of countries have established, or committed to establish, public registers of beneficial ownership. Despite the strong commitment and initial progress made by governments, beneficial ownership transparency has not yet been achieved. A data leak known as the Panama Papers[18] catapulted the issue to the top of international headlines and political agendas in April 2016. It revealed that complex ownership structures have been used to hide links to potentially illegal activities and tax obligations. However, while there is an overwhelming consensus on the importance of beneficial ownership transparency, implementation at national and international levels continues to be a challenge. The joint G20 ACWG and FATF meeting in October 2016 and the OECD Secretary General Report to G20 Finance Ministers from October 2016 highlighted various significant deficiencies in the effective implementation of controls against the misuse of corporate structures.[19]

Implementation of beneficial ownership transparency requires consideration of many legal and practical issues ranging from legal definitions, scope, data sources and formats, search and export functions, validation and maintenance, as well as access, exchange of information and data privacy. In addition, because illicit activities often involve complex ownership structures in different countries, adequate access to ownership information is paramount to enable detection and enforcement.

Exhibit 1 | Website on Ownership Transparency

A website offering information about beneficial ownership transparency was launched on 1 December 2016. It was produced as part of the B20 work stream on beneficial ownership transparency in association with The B Team[20] and is managed by Bank of Montreal, Deloitte, The B Team and Thomson Reuters. The website explains about beneficial ownership transparency, provides a timeline of government initiatives and six areas of company or investor action, which highlights progress to date, and also provides guidance on potential areas in which companies and investors can intervene. It is based, in part, on seven workshops that were conducted with companies in Nairobi, Paris, London, New York, Beijing, Delhi and Dubai in 2015 and 2016. The initiative continues to encourage companies and investors to take action through the website.

Source: Ownership Transparency, accessed February 10, 2017, http://ownershiptransparency.com/.

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[17] In addition, the Extractive Industries Transparency Initiative adopted a beneficial ownership requirement in 2016, which requires all 51 member countries to ensure that, by 2020, all oil, gas and mining companies that bid for, operate or invest in extractive projects in their countries, disclose their real owners. EITI, *Beneficial Ownership* (2016), accessed February 21, 2017, https://eiti.org/beneficial-ownership.

[18] The term "Panama Papers" refers to a leak of more than 11.5 million financial and legal records from the Panamanian law firm Mossack Fonseca. The data was obtained from an anonymous source by reporters at the German newspaper Süddeutsche Zeitung and was investigated by the International Consortium of Investigative Journalists (ICIJ). The results of the investigation produced strong calls for more action to combat offshore financial secrecy and has, so far, led to more than 150 investigations in 79 countries. ICIJ, *The Panama Papers – Politicians, Criminals and the Rogue Industry That Hides Their Cash,* accessed February 21, 2017, https://panamapapers.icij.org.

[19] In its 2016 report to the G20 Finance Ministers and Central Bank Governors, FATF also pushed for more cooperation with the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum).

[20] The B Team is a not-for-profit initiative formed by an international group of business leaders to catalyse a better way of doing business. The B Team, accessed February, 28 2017, http://bteam.org/about/.

Policy Action 1.1: Implement Beneficial Ownership Action Plans

G20 members should continue to lead the world in realizing beneficial ownership transparency by progressively implementing their action plans, raising global standards of data quality, exploring possibilities of connecting ownership information, and monitoring implementation progress.

G20 members have fulfilled their 2014 commitment to share action plans relating to the implementation of the G20 High-Level Principles on Beneficial Ownership Transparency[21] and many regions are already raising their legal requirements to strengthen beneficial ownership transparency (see, for example, the 4th European Union (EU) Anti-Money Laundering Directive 2015/849 of 20 May 2015 and its amending proposal of July 2016). However, it is essential that G20 members continue to implement and improve these Beneficial Ownership Action Plans.[22]

Action plans relating to beneficial ownership transparency need to comply with the FATF recommendations and other international standards. G20 members that are not yet members of the FATF should join. Furthermore, G20 members should consider the proposals to improve transparency made by the OECD Secretary General Report to G20 Finance Ministers of October 2016[23]. They should also take into account the results of a review of commitments from the London Anti-Corruption Summit 2016, which will be presented at the UN General Assembly in New York in September 2017. Each country needs to assess the risk of misuse of legal entities including (offshore) trusts and to design appropriate measures to overcome specific obstacles to company transparency. Consideration should also be given to the idea of creating a global register that pools data from countries with public registers.[24] In addition, the adoption of a common concept of beneficial ownership may be useful. The legal definition of beneficial ownership differs between countries and sometimes even between different sectors within a country.[25] FATF does not specify a certain threshold but recommends implementing a concept of ownership interest that is sufficiently clear, practical, workable, and enforceable for the full range of legal persons administered in a country.

Although company registers exist in most countries of the world, it is essential to improve their quality. They need to provide information that is comprehensive, accurate, up to date, available, accessible, reliable and searchable. Beneficial ownership transparency requires effective ways of collecting and maintaining data, and G20 members face a variety of challenges during implementation, including an evaluation of existing national company registers, the collection of comprehensive, accurate and up-to-date beneficial ownership information, and the verification and maintenance of this information. Successful implementation further requires efficient ways of linking and centralizing existing and new data, an evaluation of the benefits of open data, as well as an analysis of potential conflicts with applicable data protection requirements. There is also a need for clear national/international data standards on

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[21] The German Federal Ministry of Justice and Consumer Protection, *National Implementation Plans on the G20 High Level Principles on Beneficial Ownership*, accessed February 10, 2017, http://www.bmjv.de/SharedDocs/Downloads/EN/G20/National%20Implementation%20Plans%20on%20the%20G20%20High%20Level%20Principles%20on%20Beneficial%20Ownership/G20_National_Implementation_Plans.html?nn=8678834.

[22] Transparency International, *Just for Show – Reviewing G20 Promises on Beneficial Ownership* (published 12 November 2015 (to be updated in 2017)), accessed March 24, 2017, http://www.transparency.org/whatwedo/publication/just_for_show_g20_promises.

[23] OECD, *OECD Secretary-General Report to G20 Finance Ministers* (October 2016), accessed March 24, 2017, https://www.oecd.org/g20/topics/taxation/oecd-secretary-general-tax-report-g20-finance-ministers-october-2016.pdf.

[24] The UK Department for International Development is funding efforts to develop a global register that will pool data from countries with public registers, while also allowing companies to self-disclose. Open Ownership, accessed February 21, 2017, http://openownership.org.

[25] Several jurisdictions set the beneficial ownership threshold of an interest at 25 percent, i.e. any individual, if any, who directly or indirectly owns 25 percent or more of the equity interests of a legal entity. The U.S. definition also includes a single individual with significant responsibility to control, manage or direct a legal entity (control prong) while the EU focuses on a risk-based approach that allows EU member states to set lower beneficial ownership thresholds (for example, ten percent for certain high-risk areas).

beneficial ownership information to ensure that data is comprehensive, comparable and easy to analyze.[26]

In order to increase the pace and quality of positive change in beneficial ownership transparency, G20 members should report on their progress. G20 should ask a relevant third party (such as the World Bank) for a review of Beneficial Ownership Actions Plans and implementation progress before the 2018 G20 Summit.

Policy Action 1.2: Ensure Availability of Information

G20 members should ensure easy access to, and efficient use of, beneficial ownership information by laying down clear rules governing access to information and facilitating access for users through adequate measures and guidance.

To detect illegal activity and manage risks both within a country and across national borders, beneficial ownership data must be easily accessible and usable.

G20 members should specify access rights for beneficial ownership information. A number of countries support the maintenance of basic ownership information about companies in a public company register. There is less agreement, however, on who – apart from relevant authorities (for example, law enforcement, tax, prosecutorial, supervisory, financial intelligence units) – should have access to beneficial ownership information. B20 emphasizes that anyone with an obligation to conduct, or legitimate interest in conducting, third party due diligence needs to have free or affordable access to beneficial ownership information. Several stakeholders, including part of the business community, also call for full public access to beneficial ownership information. Some G20 members have already committed to making their register publicly accessible or are in the process of doing so.[27] The main arguments of stakeholders in favor of public access are:

- In most countries, basic ownership information is available to the public. Giving beneficial ownership a higher threshold for public access privileges the small number of entities with complex corporate structures. Individual privacy rights are important, but these should be considered in relation to other societal interests. If there are cases where granting public access would expose beneficial owners to significant security risks, exemptions should be established on a case-by-case basis (as is the current approach in the UK, for example).

- Public access facilitates third party due diligence by sparing resources. Everyone should have the right to identify the beneficial owner of a business partner, so that associated risks – and especially the risk of liability for third-party action – can be managed.

- Public access enables better allocation and governance of capital by allowing investors to gain more insights into the companies in which they are considering investment.

- It also saves public resources, because effectively restricting access to certain parties is challenging and takes up considerable resources. Public access can also help law enforcement services to detect crime in countries that have inefficient data exchange.

- Public registers can create a first-mover advantage by creating a more competitive market. If G20 members move together, they can help establish a norm to drive change in other parts of the world where B20 companies face significant corruption risks.

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[26] The Open Company Data Index examines how open corporate data is in different countries. Open Corporates, *Open Corporate Data*, accessed February 21, 2017, http://registries.opencorporates.com.
[27] For example, the UK, France, and South Africa.

- Public access saves time and costs for both civil society and the media, and helps detect illicit activities.

On the other hand, other parts of the business community question the benefits of public disclosure and emphasize the risks of making beneficial ownership information available to everyone. The main arguments of stakeholders against public access are:

- Public registers are a disproportionate intrusion into an individual's right to privacy.[28] Legitimate business persons who value their privacy may choose to incorporate their business in countries where there is no public access.

- Public access may lead to unintended security issues for unlisted (family-owned) companies. Instead of reducing crime, public access may actually increase instances of crimes such as identity theft, cyber-attacks and extortion.

- Allowing public access brings a first-mover disadvantage with no incentives for other countries to follow suit.

Those authorized to access beneficial ownership information should have adequate tools and guidance to access and analyze this data quickly and efficiently. G20 members should define technical and organizational measures to ensure easy access and analysis for authorized users, both nationally and internationally.

Policy Action 1.3: Improve Exchange of Information

G20 members should facilitate the timely and effective exchange of beneficial ownership information at national and international levels by defining or adopting data standards, providing guidance on legal set-ups in their country, and assisting developing countries in improving company registers.

In order to improve the exchange of beneficial ownership information, G20 should define or adopt clear, international data standards to enable cross-jurisdictional data sharing and analysis, and facilitate automatic exchange. G20 should agree on international standards relating to data privacy and data handling with regard to the exchange and processing of basic and beneficial ownership information. G20 should follow up on progress made[29] and join the recent initiative of some G20 members and other countries to support the development of a new global system for the systematic exchange of beneficial ownership information, which operates on a secure, reciprocal basis and achieves a level playing field.[30]

G20 members should publish information on legal set-ups in their country, including risk profiles, reporting requirements, sources of basic and beneficial ownership information and access rights. The G20 ACWG Country Beneficial Ownership Guides – published for the majority of G20 members in January 2017 – were an important step in this regard. They were prepared by the Stolen Asset Recovery Initiative (StAR), a partnership between the World Bank Group and UN Office on Drugs and Crime

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[28] On 21 October 2016, the French Conseil Constitutionnel ruled that the public registry is in conflict with the French Constitution. Conseil Constitutionnel, *Décision n° 2016-591 QPC du 21 octobre 2016*, accessed March 24, 2017, http://www.conseil-constitutionnel.fr/conseil-constitutionnel/francais/les-decisions/acces-par-date/decisions-depuis-1959/2016/2016-591-qpc/decision-n-2016-591-qpc-du-21-octobre-2016.148055.html.

[29] Including the establishment of the Common Reporting Standard (CRS), which was adopted pursuant to the G20 request and approved by the OECD Council on 15 July 2014.

[30] On 14 April 2016, the finance ministers of the UK, Germany, Italy, France and Spain announced that their countries were going to automatically share information on the ultimate owners of entities and also urged other G20 members to take action towards a fully global exchange of beneficial ownership information. Over 50 jurisdictions committed to support such a new, global system in December 2016. UK HM Treasury, *Statement on the initiative for the systematic sharing of beneficial ownership information* (updated 14 December 2016), accessed March 1, 2017, https://www.gov.uk/government/publications/beneficial-ownership-countries-that-have-pledged-to-exchange-information/countries-committed-to-sharing-beneficial-ownership-information.

(UNODC), and serve as a guide for public authorities or other interested parties who are confronted with trying to find information on an entity incorporated under the laws of the country concerned.[31]

G20 members should increase awareness of the importance of reliable company registers and support developing countries with the creation and maintenance of such registers by promoting beneficial ownership transparency with technical and financial assistance.

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[31] On 15 February 2017, 14 out of 20 Beneficial Ownership Guides were available. StAR, *G20 Beneficial Ownership Guides*, accessed February 15, 2017, https://star.worldbank.org/star/about-us/g20-anti-corruption-working-group.

Recommendation 2: Recognize Compliance Efforts

G20 members should be supportive of a company's proactive engagement by providing positive recognition of effective anti-corruption and compliance systems.

Policy Actions
2.1   **Acknowledge Adequate Measures:** G20 members should recognize corporate compliance efforts when awarding public contracts and when imposing sanctions for breaches, and they should explore additional ways to acknowledge compliance efforts. • The existence of an adequate and robust compliance program should be a requirement for being eligible to receive public subsidies or other public funds, licenses, public contracts, export credits and trade insurance. • G20 members should have the ability to reduce sanctions and penalties based on the fact that companies have implemented adequate compliance programs. • G20 should commission the OECD[32] to conduct a fact-finding study on countries' approaches to compliance incentives and identify good practices.
Owner G20, G20 members/international organizations   **Timing**   2017-18
2.2   **Encourage Self-disclosure and Self-cleaning:** G20 members should be encouraged to harmonize their administrative and legal approaches to self-disclosure of compliance breaches, recognize effective and safe internal reporting, and support adequate self-cleaning. • G20 members should align laws and regulatory requirements that strengthen voluntary self-disclosure mechanisms through reduced penalties and institutionalized leniency programs. • G20 members should offer discounts that specifically relate to the existence of internal reporting systems and adequate protection for whistleblowers who report misconduct within the company. • G20 members should recognize self-cleaning efforts after misconduct has been detected and remediated, for example, by allowing them to be reconsidered for inclusion in public tenders.
Owner G20 members   **Timing**   2017-19
2.3   **Promote a Culture of Integrity**: G20 should continue its commitment to building a global culture of intolerance towards corruption by reinforcing international cooperation, including the promotion of key international instruments, supporting the provision of capacity building and training for SMEs and in non-G20 countries, as well as improving education on anti-corruption and integrity in schools and universities. • G20 members should effectively implement and promote key international instruments to help create a level playing field for businesses. • G20 members should promote capacity building among SMEs by offering training and guidance on RBC and anti-corruption and by recognizing companies that build such capacities in their supply chains. • G20 members should support capacity building and the provision of effective and efficient technical assistance to assist non-G20 countries in tackling corruption. • G20 should work together with businesses and society to explore the possibility of integrating integrity, anti-corruption and RBC in the curricula of schools and universities.
Owner G20, G20 members, international organizations and the business community   **Timing**   2017-18

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[32] In conjunction with other relevant organizations.

Context

RBC plays a major role in tackling the supply side of corruption. RBC is in a company's own interest and can create a competitive advantage. However, G20 members should be supportive of a company's proactive engagement and should help build an environment of trust, transparency, and accountability.[33]

B20 has been calling upon G20 members to recognize their compliance efforts since 2012 and support the self-reporting of compliance breaches since 2013. Positive recognition of compliance efforts by G20 members would support companies in promoting RBC as a corporate value and in creating awareness, both internally and externally. Several G20 members already apply mechanisms that recognize compliance efforts but there is neither a comprehensive overview nor consistency of mechanisms across jurisdictions or across similar (economic) offences. Governments should, where applicable, align laws and regulatory requirements that encourage companies to build adequate compliance programs and self-disclose compliance breaches.[34]

While an increasing number of companies genuinely strive to comply with law and good practices, the overall understanding of the various requirements placed on business – including laws with extra-territorial effects – remains low, even in markets with very mature regulatory enforcement environments.[35] B20, therefore, also underlines the vital importance of capacity building and education programs across both the public and private sectors.

Policy Action 2.1: Acknowledge Adequate Measures

G20 members should recognize corporate compliance efforts when awarding public contracts and when imposing sanctions for breaches, and G20 should explore additional ways to acknowledge compliance efforts.

Guidance on adequate anti-corruption and compliance measures is provided, for example, by the UK Bribery Act Principles[36], the United States (U.S.) Sentencing Guidelines[37], the Foreign Corrupt Practices Act (FCPA) Pilot Program Requirements[38], national legislation with minimum legal requirements (for example, Spain, France, Brazil, and Italy), practical guides by the OECD[39] and UNODC[40], the 2015 G20 High-Level Principles on Private Sector Transparency and Integrity, and international standards (such

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[33] See also the *2015 G20/OECD Principles of Corporate Governance* that are intended to help policy-maker evaluate and improve the legal, regulatory and institutional framework for corporate governance to support an environment of trust, transparency and accountability. OECD, *G20/OECD Principles of Corporate Governance* (2015), accessed March 24, 2017, http://www.oecd.org/corporate/principles-corporate-governance.htm.

[34] See also Richard Alderman, *Development of a Preliminary Study on Possible Regulatory Developments to Enhance the Private Sector Role in the Fight against Corruption in a Global Business Context* (B20 Task Force on Improving Transparency and Anti-Corruption, 8 January 2014), accessed March 24, 2017, http://www.ethic-intelligence.com/wp-content/uploads/2014_B20_report.pdf; and Christopher Hodges, *Ethical Business Regulation*, accessed March 24, 2017, https://www.law.ox.ac.uk/research-subject-groups/swiss-recms-programme-civil-justice-systems/ethical-business-regulation.

[35] IFF Research Ltd., *UK businesses' Understanding of Competition Law* (26 March 2015), accessed March 24, 2017, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/429876/UK_businesses__understanding_of_competition_law_-_report.pdf.

[36] UK Ministry of Justice, *The Bribery Act 2010 Guidance*, accessed February 21, 2017, https://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf.

[37] U.S. Sentencing Commission, *2016 Guidelines Manual,* accessed March 24, 2017, http://www.ussc.gov/guidelines/2016-guidelines-manual.

[38] U.S. Department of Justice, *The Fraud Section's Foreign Corrupt Practices Act, Enforcement Plan and Guidance* (5 April 2016), accessed March 24, 2017, https://www.justice.gov/opa/file/838386/download; and most recently the *Evaluation of Corporate Compliance Programs (*8 February 2017), accessed March 24, 2017, https://www.justice.gov/criminal-fraud/page/file/937501/download.

[39] OECD, UNODC, World Bank, *Anti-Corruption Ethics and Compliance Handbook for Business* (28 November 2013), accessed March 24, 2017, http://www.oecd.org/g20/topics/anti-corruption/anti-corruption-ethics-and-compliance-handbook-for-business.htm.

[40] UNODC, *An Anti-Corruption Ethics and Compliance Programme for Business: A Practical Guide* (2013), accessed February 21, 2017, http://www.unodc.org/documents/corruption/Publications/2013/13-84498_Ebook.pdf.

as the International Organization for Standardization (ISO) 37001:2016 and ISO 19600:2014[41]).

G20 members and international bodies should recognize compliance efforts when providing public benefits and awarding public contracts. The existence of an adequate and robust compliance program should be a requirement for being eligible to be awarded public contracts (see Policy Action 3.2)[42], or receive public subsidies, licenses and contracts funded by official development assistance. An adequate and robust compliance program should also be a requirement for officially supported export credits and trade insurances.[43]

G20 members should recognize compliance efforts as a mitigating factor in sentencing or as a complete or partial legal defense. G20 members should have the ability to reduce sanctions and penalties if companies have implemented adequate and effective anti-corruption and compliance programs.

Many countries already provide such recognition (for example, the U.S., UK, France, and Brazil)[44] and G20 should commission the OECD – in conjunction with other relevant organizations – to conduct a study on countries' approaches to compliance incentives. B20 is encouraging the OECD to play a useful role in addressing how parties of the convention can encourage compliance efforts and recognize voluntary disclosure[45] and through fact-finding work on countries' approaches, good practices, and guidance in this area.[46]

Policy Action 2.2: Encourage Self-disclosure and Self-cleaning

G20 members should be encouraged to harmonize their administrative and legal approaches to self-disclosure of compliance breaches, recognize effective and safe internal reporting, and support adequate self-cleaning.

G20 members currently differ in their approach to recognize a company's post-incident efforts. The complexity of administrative and legal provisions leads to legal uncertainties and business risks while also tying up significant resources. Inconsistent regulation and enforcement create a disincentive for businesses to engage in self-disclosure. G20 members should align laws and regulatory requirements that strengthen voluntary self-disclosure mechanisms through reduced penalties and institutionalized leniency programs. Since 2014, B20 has been recommending that businesses should be encouraged to report corruption and other violations to the authorities[47] and work with them to resolve the issue, rather than wait to be detected by others. Many regulators encourage companies to self-disclose violations by

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41 ISO, *Anti-bribery Management Systems – Requirements with Guidance for Use* and *Compliance Management Systems – Guidelines*, accessed February 21, 2017, http://www.iso.org.

42 For ways of recognizing responsible businesses in the context of infrastructure projects while encouraging fair competition.

43 Additional measures that encourage corporate integrity are provided by the UNODC. UNODC, UNCAC *A Resource Guide on State Measures for Strengthening Corporate Integrity* (2013), accessed February 21, 2017, http://www.unodc.org/documents/corruption/Publications/2013/Resource_Guide_on_State_Measures_for_Strengthening_Corporate_Integrity.pdf.

44 For a discussion on corporate compliance incentives in these countries, please see the respective OECD Phase 3 *Reports on Implementing the OECD Anti-Bribery Convention.* OECD, *Country reports on the implementation of the OECD Anti-Bribery Convention*, accessed March 24, 2017, http://www.oecd.org/daf/anti-bribery/countryreportsontheimplementationoftheoecdanti-briberyconvention.htm.

45 The OECD Working Group on Bribery's fourth phase of monitoring States Parties' implementation of the OECD Anti-Bribery Convention will see its first reports published in March 2017. In addition, the OECD Working Group on Bribery plans to organize a horizontal study on settlements in 2018.

46 The March 2016 OECD Anti-Bribery Ministerial Declaration calls on States Parties to the OECD Anti-Bribery Convention to "study good practices" in relation to "issues regarding voluntary disclosure of foreign bribery allegations, negotiated settlement and anti-corruption compliance programs". OECD, *OECD Anti-Bribery Ministerial Declaration* (16 March 2016), accessed March 24, 2017, http://www.oecd.org/corruption/oecd-anti-bribery-ministerial-declaration.htm.

47 This should be complemented by parallel discussions related to effective whistleblower protection, detailed in the G20 *Study on Whistleblower Protection Frameworks, Compendium of Best Practices and Guiding Principles for Legislation*, and OECD, *Committing to Effective Whistleblower Protection.* OECD, *G20 Anti-Corruption Action Plan – Protection of Whistleblowers, accessed March 31, 2017,* https://www.oecd.org/g20/topics/anti-corruption/48972967.pdf; OECD, *Committing to Effective Whistleblower Protection* (2016), accessed March 24, 2017, https://www.oecd.org/corruption/Committing-to-Effective-Whistleblower-Protection-Highlights.pdf.

offering mitigated sentences, the ability to negotiate a plea or settlement, or, in some cases, exemption from prosecution or sanction.[48] In the European Union, for example, the leniency program for anti-trust cases offers either total immunity from fines or a reduction of fines to companies that self-report their involvement and hand over evidence.[49] However, the benefits of voluntary disclosure are unpredictable, especially in cases where multiple jurisdictions are involved.

Companies considering whether to self-report the results of (independent) internal investigations to the authorities will want to know about the consequences, as well as the immunity or mitigation they may receive. There is a need for certainty and transparency in the approach to be adopted by prosecutorial authorities of G20 members (see Exhibit 2). The benefits of self-disclosure must be clear, well-structured and unambiguous. If the leniency mechanisms are consistently made available to companies, they will be more proactive in the implementation of compliance mechanisms, conducting (independent) investigations, undertaking remedial action and, where appropriate and relevant, making a disclosure at the earliest possible time.[50]

G20 members should offer discounts that specifically relate to the existence of internal reporting systems and adequate protection for whistle-blowers who self-report misconduct within the company. It is vital that employees and others in the public and private sectors are aware of available reporting channels and feel confident to report concerns and suspected wrongdoings. Although it is in the company's best interest to encourage such reporting and protect whistle-blowers from retaliation and discrimination, G20 should support their efforts to strengthen internal reporting.

G20 members should recognize self-cleaning efforts in the event that misconduct has been detected and adequately remediated. Several countries have regulations in place that reduce sanctions for companies that self-clean (i.e. those that improve their compliance measures after incidents of non-compliance), for example, by allowing them to be reconsidered for inclusion in public tenders.

Exhibit 2 | FCPA Pilot Program, United States

The U.S. Department of Justice launched a pilot program on 5 April 2016, which is designed to motivate companies to voluntarily self-disclose FCPA-related misconduct, fully cooperate with the Fraud Section, and remediate flaws in their control and compliance programs. The program informs companies of the consequences of misconduct, together with applicable penalties and potential credit available if they self-disclose and cooperate with an investigation. The guidelines stipulate that if a company chooses not to voluntarily disclose its FCPA misconduct, it may receive limited credit if it later fully cooperates and appropriately remediates. However, any such credit will be markedly less than that afforded to companies that disclose the wrongdoing themselves. It enables companies to make rational decisions when they learn of corrupt activity by their foreign agents/employees and increases transparency in FCPA charging decisions.

Source: U.S. Department of Justice, *Criminal Division Launches New FCPA Pilot Program* (5 April 2016), accessed February 21, 2017, https://www.justice.gov/opa/blog/criminal-division-launches-new-fcpa-pilot-program.

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[48] For reference, see OECD, *Update on Voluntary Disclosure Programmes: A Pathway to Tax Compliance* (2015), accessed February 21, 2017, http://www.oecd.org/ctp/exchange-of-tax-information/Voluntary-Disclosure-Programmes-2015.pdf. In the field of anti-trust, the International Chamber of Commerce (ICC) Leniency Manual First Edition 2016 details leniency regimes in different countries including the EU. ICC, *Leniency Manual First Edition 2016 – A user-guide for filing leniency applications worldwide* (2016), accessed March 31, 2017, https://iccwbo.org/publication/icc-leniency-manual-first-edition-2016/.
[49] EU Commission, *Leniency*, accessed on 21 February 2017, http://ec.europa.eu/competition/cartels/leniency/leniency.html.
[50] For further details on self-disclosure, please refer to the World Economic Forum, *Paper on Voluntary Self-disclosure.* Leonard McCarthy, Steve Almond, Andreas Hoffmann, Massimo Mantovani, Michele de Rosa, Danielle Cannata, Lee Tashjian, Carlos Hernandez and Jim Pike, *Global Agenda Council on Anticorruption Working Group on Voluntary Self-Disclosure* (World Economic Forum, 30 July 2015), accessed February 21, 2017, http://www3.weforum.org/docs/WEF_GAC_Voluntary_Self_Disclosure_for_B20.PDF. With regard to tax compliance, the OECD *Update on Voluntary Disclosure Programmes: A Pathway to Tax Compliance* reflects the practical experience gained by 47 countries in relation to voluntary disclosure programs. OECD, *Update on Voluntary Disclosure Programmes: A Pathway to Tax Compliance* (2015), op. cit.

Policy Action 2.3: Promote a Culture of Integrity

G20 should continue its commitment to building a global culture of intolerance towards corruption by reinforcing international cooperation, including the promotion of key international instruments, supporting the provision of capacity building and training for SMEs and in non-G20 countries, as well as improving education on anti-corruption and integrity in schools and universities.

International cooperation against corruption will help create a level playing field for businesses, while enhancing the ability of countries to address corruption within their own borders (see Exhibit 3). B20 underlines the importance of effectively implementing and promoting key international instruments, such as UNCAC, the OECD Anti-Bribery Convention, the OECD Guidelines for Multinational Enterprises[51] and the UN Guiding Principles on Business and Human Rights. B20 also underlines the importance of voluntary initiatives, such as the UN Global Compact's Ten Principles on human rights, labor, environment and anti-corruption. G20 members should continue to foster international cooperation against corruption by applying and promoting the 2016 G20 High-Level Principles on Cooperation on Persons Sought for Corruption and Asset Recovery, the 2013 G20 High-Level Principles on Mutual Legal Assistance, the 2013 G20 Key Asset Recovery Principles and the 2012 G20 Common Principles for Action: Denial of Safe Haven.

Exhibit 3 | The World Road Association (PIARC)

While ministries involved in fighting corruption are mostly ministries of finance or justice, some line ministries have also taken up the issue at an international level. PIARC brings together the road administrations of 121 governments with individuals, companies, authorities and organizations in over 140 countries. In cooperation with private consultants and contractors, they have produced a report on the "Cycle of Integrity", an "Institutional Integrity Toolkit" and "Best Practices of Governance". Work is going on in PIARC's ad hoc technical committee to develop awareness and a culture of integrity.

Source: The World Road Association, accessed February 21, 2017, https://www.piarc.org/en/publications/technical-reports.

G20 members should promote capacity building among SMEs by supporting training programs and by offering guidance on anti-corruption (see Exhibit 4-8). Like large multinational enterprises, SMEs are exposed to corruption risks, but often lack sufficient resources to implement a proportionate response. Many G20 companies, especially SMEs, need guidance with respect to what constitutes an adequate compliance management system (CMS). A CMS is considered adequate if it is aligned with what is generally viewed as current good practice for commercial organizations, taking into account their different sizes and risk profiles. Adequate and industry-specific compliance frameworks can promote the design, implementation and operation of an effective CMS. They may also serve as a basis for an external validation of the CMS by independent third parties (such as public entities).

G20 members should recognize companies that undertake measures to build such capacities of SMEs in their supply chains. Many companies invest in capacity building by providing local SMEs with anti-corruption training or raising awareness about what constitutes corruption and bribery. They share resources with SMEs with which they regularly work, because these SMEs often lack the internal resources to incorporate an anti-corruption compliance program and may operate in regions where other capacity-building programs are not available.

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[51] All adherents to the guidelines (currently 46 countries) are required to set up a National Contact Points (NCPs), which serves as a grievance and mediation mechanism, i.e. a complaint can be filed with an NCP against companies from or operating in an OECD or adhering country concerning their worldwide activities. This includes adverse impact through their supply chains and business relationships for alleged breaches of the guidelines. OECD, *National Contact Points,* accessed March 24, 2017, http://mneguidelines.oecd.org/ncps/.

Exhibit 4 | Business Ethics for Asia-Pacific Economic Cooperation (APEC) SMEs

The "Business Ethics for APEC SMEs" initiative has been supporting progress in strengthening ethical business practices across the Asia-Pacific region since 2010. The initiative continues to benefit SMEs by providing clarity and harmonization of industry practices, addressing unethical behaviour through Collective Action and promoting long-term sustainability. Since its launch, this effort has helped dozens of industry associations improve ethical business practices along with thousands of small, medium and large manufacturers, importers and distributors, including companies within the construction and engineering sectors.

Source: The APEC Business Ethics for SMEs Initiative (14 October 2016), accessed February 21, 2017, http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Small-and-Medium-Enterprises.aspx.

Exhibit 5 | International Anti-corruption SME Toolkit

Following a request made at the G20 ACWG 2015, an international anti-corruption toolkit for SMEs was produced by IBLF Global with the support of the B20 Anti-Corruption Working Group in 2015. The toolkit includes a training module and is designed to be easily translated, adapted, published and distributed in each country. It provides practical means to help SMEs become more resistant to corruption and other forms of misconduct, while also enabling SMEs to effectively respond to corruption challenges and play a role in promoting RBC. The toolkit is already being used in Turkey and Vietnam, and is due to be released in Italy in 2017.

Source: G20, *Anti-corruption Toolkit for Small and Medium-sized Companies* (November 2015), accessed March 24, 2017, http://g20.org.tr/wp-content/uploads/2015/12/Anti-corruptionToolkit-for-SMEs.pdf.

Exhibit 6 | International Chamber of Commerce (ICC) Anti-corruption Third Party Due Diligence

In 2015, the ICC released the "ICC Anti-corruption Third Party Due Diligence" guide, which helps SMEs assess and manage corruption risks associated with their suppliers. The ICC guide addresses the need for capacity building among SMEs so that they can integrate global supply chains in an ethical and responsible way. It provides practical advice on how SMEs can cost-effectively conduct due diligence on third parties that they engage to perform services on their behalf. This anti-corruption tool was a direct response to the Turkish G20/B20 efforts in 2015 to implement concrete actions for private sector integrity, with the particular focus on empowering SMEs in their fight against corrupt practices.

Source: ICC, *ICC Anti-Corruption Third Party Due Diligence: A Guide for Small and Medium-sized Enterprises*
(26 May 2016), accessed March 24, 2017, https://cdn.iccwbo.org/content/uploads/sites/3/2015/07/ICC-Anti-corruption-Third-Party-Due-Diligence-A-Guide-for-Small-and-Medium-sized-Enterprises.pdf.

G20 members should also support capacity building and the provision of effective and efficient technical assistance to assist non-G20 countries in tackling corruption. Governments and businesses should promote coordinated partnerships so that they can leverage the resources for advancing technical assistance efforts and engage in discussions on how companies can join forces with public institutions in the countries where they do business to reduce corruption risks (see Exhibit 9). They should also investigate how business and/or trade associations can team up with intergovernmental organizations in order to reduce corruption risks on a broader scale. Some countries have started to use administrative tools to tackle corruption, such as whitelisting ethical/reliable companies.

Exhibit 7 | The Alliance for Integrity Training Program "De Empresas Para Empresas" (DEPE) – From Companies to Companies

The Alliance for Integrity is a business-driven, multi-stakeholder initiative seeking to promote transparency and integrity in the economic system. The practice-oriented training program DEPE is based on international good practice and seeks to strengthen compliance capacities among SMEs and in supply chains. Major companies with established compliance management systems become trainers and support companies with little or no experience in countering corruption by transferring their knowledge and experience. An online support desk provides additional information and answers implementation-oriented questions after the training. The Alliance for Integrity's training program is currently implemented in Argentina, Brazil, Chile, Colombia, Ghana, India, Indonesia, Mexico, Paraguay, and Uruguay.

Source: Alliance for Integrity, Training Program *De Empresas para Empresas*, accessed February 21, 2017, https://www.allianceforintegrity.org/en/regions/latin-america/#tab_d7119ea254372114c6961fd04932690e_2.

Exhibit 8 | UN Global Compact, Capacity Building, Africa

Implemented in collaboration with the UN Global Compact local network and in partnership with the Basel Institute on Governance in Switzerland (Basel Institute), the projects in Kenya and Nigeria focus on capacity building and training of local networks to engage in Collective Action against corruption. They aim to identify anti-corruption challenges, stakeholders and opportunities for Collective Action initiatives, to build trust among stakeholders and to increase knowledge of anti-corruption Collective Action among the local network and participating businesses.[1] The local network in Nigeria has implemented a project that focuses on building alliances between businesses and public officials with the aim of creating a platform for collaboration, Collective Action and capacity building.[2]

In Egypt, UN Global Compact, in collaboration with the Egyptian Junior Business Association, has implemented a project that focuses on establishing a business-led integrity network of various stakeholders (SMEs, large corporations, civil society, governments and others). The network aims to encourage Egyptian SMEs to advance their anti-corruption practices and sign an integrity pledge. By engaging multinational enterprises and banks, the network intends to provide tangible business advantages and incentives to SMEs in Egypt that demonstrate ethical leadership and good compliance practices.[3] The project comprises a series of training and workshops on various aspects of anti-corruption and the development of an independent process to assess the performance of participating SMEs.

UN Global Compact also offers an anti-corruption e-learning tool for the private sector that was developed in cooperation with UNODC. The free online learning platform offers practical guidance on corruption scenarios through six interactive video-based learning modules that are available in 21 languages.[4]

1) The projects are being implemented under the Siemens Integrity Initiative (SII). In Kenya, there is a global project with the Basel Institute with indirect reach to the Kenya UN Global Compact local network through the UNGC office in New York;

2) UN Global Compact, *Anti-corruption Collective Action*, accessed February 21, 2017, https://www.unglobalcompact.org/take-action/action/anti-corruption-collective-action. The project was implemented under the Siemens Integrity Initiative (SII) from 2010 onward; 3) UN Global Compact, *Anti-corruption Collective Action*, accessed February 21, 2017, https://www.unglobalcompact.org/take-action/action/anti-corruption-collective-action; 4) UN Global Compact, UNODC, *The Fight against Corruption*, accessed February 21, 2017, http://thefightagainstcorruption.org.

Exhibit 9 | UNODC Private-public Partnerships, Mexico and India

Building on the work of the International Anti-Corruption Academy (see below), UNODC has implemented projects in Mexico and India that have increased awareness and built capacity for combatting corruption in public procurement.[1] The projects promoted dialogue between the private and public sectors, provided stakeholders with training on the legal framework for public procurement and anti-corruption, and helped identify areas of improvement in legislation or regulation.

In India, UNODC brought together the government, civil society, and the public and private sectors to exchange ideas and jointly develop an e-learning tool called "Propriety in Public Procurement," which concerns corporate integrity. The Central Bureau of Investigation, Confederation of Indian Industries, Commissioner of Industries, Rajasthan Police and National Police Academy, Hyderabad have expressed their intent to collaborate with UNODC to adopt the online training module on public procurement and organize training programs using these modules.

In Mexico, UNODC engaged in a detailed study of the training and technical assistance needs of the public and private sectors in relation to public procurement, and produced six training curricula based on these studies. A total of 584 public and private sector representatives attended the six resulting workshops, of which 562 attendees received a diploma. In both India and Mexico, there has been a noted shift in the attitude of public and private sector participants toward partnership and collaboration.

1) The projects are being implemented under the Siemens Integrity Initiative (SII).

G20 should evaluate their existing education efforts on anti-corruption and integrity and promote the development of adequate education programs for schools and universities (see Exhibit 10-14). G20 members, businesses and society should work together to develop a culture of integrity and non-tolerance of corruption through education and explore possibilities of integrating anti-corruption and integrity in the curricula of schools and universities. This would also enable young people to have a sustainable perspective on other topics of the curriculum, such as financial literacy, environmental protection and human rights.

Exhibit 10 | UNODC Anti-Corruption Academic Initiative (ACAD)

The ACAD Initiative is a collective academic project led by UNODC that brings together academic institutions, international organizations and national governments to promote anti-corruption education in over 100 universities worldwide. ACAD has produced a comprehensive anti-corruption educational tool (ACAD Initiative Menu of Topics) containing over 1,400 articles, publications and research papers related to corruption that can be used by universities and other academic institutions in their existing academic programs. In doing so, ACAD seeks to encourage the teaching of anti-corruption issues as part of courses such as law, business, criminology and political science.[1]

UNODC has also launched the Education for Justice (E4J) initiative, which seeks to develop and disseminate education material on crime prevention, criminal justice and related topics for a global audience. E4J aims to assist countries in integrating these programs into their school systems and universities in order to encourage and promote the teaching of UNODC topics, including anti-corruption, ethics and integrity.[2]

Sources: 1) ACAD, accessed March 6, 2017, https://track.unodc.org/Education/Pages/ACAD.aspx; 2) E4J, accessed March 6, 2017, http://www.unodc.org/dohadeclaration/en/topics/education-for-justice.html.

Exhibit 11 | International Anti-Corruption Academy (IACA), Austria

IACA is a global institution dedicated to overcoming current shortcomings in knowledge and practice in the field of anti-corruption. The academy offers standardized and tailor-made training courses, academic degree programs, opportunities for dialogue and networking, and anti-corruption think-tanks and benchmarking activities. The organization was initiated by the UNODC, the European Anti-Fraud Office (OLAF), the Republic of Austria, and other stakeholders. It currently has a constituency of 70 parties, including three international organizations. IACA observes geographical and cultural diversity and seeks broad partnerships with public and private sector institutions, international and non-governmental organizations (NGO), and civil society.

Source: IACA, accessed February 21, 2017, https://www.iaca.int/about-us/general-information.html.

Exhibit 12 | UN Principles for Responsible Management Education (PRME) Initiative

Launched at the 2007 UN Global Compact Summit in Geneva, the PRME initiative is the largest organized partnership between the UN and business schools. Its mission is to inspire and champion responsible management education, research, and thought leadership globally. PRME, in collaboration with UN Global Compact, has developed the PRME Anti-Corruption Toolkit that provides comprehensive anti-corruption guidelines for curriculum change in business schools and management-related academic institutions around the world.

In September 2015, the PRME Working Group on Anti-Corruption published a book entitled "Anti-Corruption: Implementing Curriculum Change in Management Education". The book provides guidelines on how to professionalize ethics and anti-corruption education worldwide in a variety of classroom settings.

Source: Wolfgang Amann, Ronald Berenbeim, Tay Keong Tan, Matthias Kleinhempel, Alfred Lewis, Ruth Nieffer, Agata Stachowicz-Stanusch and Shiv Tripathi, *Anti-Corruption: Implementing Curriculum Change in Management Education* (September 2015), accessed March 24, 2017, http://www.greenleaf-publishing.com/anti-corruption.

Exhibit 13 | Transparency International School on Integrity (TISI), Lithuania

TISI is an annual anti-corruption and accountability training course for future leaders, provided by TI Lithuania in cooperation with Mykolas Romeris University in Vilnius. It seeks to encourage peer-to-peer learning and create an integrity-building environment, which links theory to practice and helps young leaders acquire better skills in bringing the anti-corruption message across. Selected students spend one week learning from leading anti-corruption and accountability professionals. Since 2010, TISI has welcomed more than 700 young leaders from around 90 countries worldwide.

Source: Transparency International (TI) Lithuania, *Transparency International School on Integrity (TISI)*, accessed February 21, 2017, http://transparencyschool.org.

Exhibit 14 | Anti-Corruption Education, South Africa

In South Africa, a new movement for value-based education in schools has been embraced by both the public and private sectors. This movement – which aims to provide guidance on anti-corruption and integrity – is led by the Ethics Institute (supported by the University of South Africa), the Gordon's Institute of Business (University of Pretoria), representatives from the Education Department and various private-sector entities. The initiative's pilot activities, including a workshop at the Mandela School of Science & Technology, a secondary school in Mvezo, have received very positive feedback from students.

Source: Mandela School of Science & Technology Mvezo, accessed February 21, 2017, http://www.mandelaschool.co.za.

Recommendation 3: Enhance Responsible Business Conduct in Infrastructure Projects

G20 members should increase transparency and accountability at all stages of the project cycle in order to mitigate the risk of corruption and increase efficiency.

Policy Actions

3.1 **Promote Responsible Government Conduct and Transparency:** G20 members address the demand side of corruption and should ensure that public infrastructure projects are selected, planned, awarded and managed openly and accountably by promoting integrity in their own organizational structures and processes and by enhancing reporting about project risks, impacts, progress and costs.

- G20 members need to mitigate corruption risks and improve transparency and accountability at all stages of the project cycle, from the selection phase, through procurement and the contract, all the way to ribbon-cutting.
- To encourage fair competition, G20 members should ensure the publication of relevant tender documentation in line with international standards and improve information sharing and efficiency through the use of digital technologies.
- G20 members should improve adequate reporting to relevant stakeholders throughout the entire cycle of an infrastructure project and balance the protection of sensitive data with the public's legitimate interest to know how public money is being spent.

Owner: G20 members   **Timing** 2017-18

3.2 **Ensure Recognition of Responsible Businesses:** G20 members should promote integrity among participating businesses by specifying requirements related to RBC, by encouraging coherent sustainability reporting, and by providing awareness training on anti-corruption and integrity.

- G20 members should require bidders to disclose their beneficial owners and to have adequate controls, measures and programs in place to manage corruption risks. They should exclude tenderers that have been convicted of illicit practices or proven unreliable and recognize self-cleaning by allowing bidders to reapply if they have implemented effective measures to manage the risk.
- G20 members should consider environmental, social and governance (ESG) performance as a bidding criteria and strengthen reporting requirements that improve the comparability of ESG information.
- G20 members should provide integrity training for contracting authorities and bidders to raise awareness of the various risks involved and the potential consequences for themselves, as well as for society.

Owner: G20 members   **Timing** 2017-18

3.3 **Support Collective Action:** G20 members should promote Collective Action, that are initiatives between different businesses, and between businesses and the public sector, which foster integrity (such as Integrity Pacts and High Level Reporting Mechanisms). G20 should initiate a study that explores joint ways of fighting corruption and misconduct in infrastructure projects.

- G20 members should encourage coordinated efforts by companies, governments and civil society to step up against corruption and strengthen good business practice.
- G20 should set up a review of specific infrastructure projects by an expert group to develop appropriate mitigating strategies and identify ways to further support Collective Action.

Owner: G20, G20 members, business community, civil society   **Timing** 2017-18

Context

Insufficient infrastructure represents one of the greatest obstacles to economic growth and social development worldwide. Globally, investment needed in infrastructure over the next 15 years is estimated at more than USD 90 trillion, and as much as three-quarters of this new investment is required in the developing world, particularly middle-income economies.[52] As infrastructure is highly interconnected and lasts for a very long time, it is vital that G20 members promote the design of sustainable infrastructure. G20 launched the Global Infrastructure Hub (GIH) in 2014, which aims to increase the flow and quality of private and public infrastructure investment opportunities. G20 members should provide national roadmaps and investment plans associated with SDGs and create adequate fiscal incentives, standards, contracting vehicles, and other steps that facilitate a business environment that supports sustainable infrastructure and removes barriers to bankability.[53]

Due to their complexity, modern infrastructure projects – whether they are public or joint public/private projects – are characterized by a variety of risks that threaten their efficiency, sustainability and resilience and are often plagued with problems such as corruption, cost overruns, delays and the unavailability of private financing.[54] In addition to the volume of transactions and the financial interests at stake, corruption risks are exacerbated by the complexity of the process, the close interaction between public officials and businesses, and the multitude of stakeholders. Apart from certain plurilateral rules for public procurement in the Government Procurement Agreement (GPA) of the World Trade Organization (WTO), infrastructure projects do not follow coherent international standards that promote economic efficiency, social responsibility and environmental awareness.

As available funds from public sources are inadequate to finance the growing demand for infrastructure, there is a need to attract money from the private sector. From a private investor's point of view, corruption presents a primary risk that must be mitigated.[55] Many of the risks inherent to infrastructure projects can be addressed by governments in the procurement process, as this process is most vulnerable to corruption.[56] G20 members have committed to the 2015 G20 High-Level-Principles for Promoting Integrity in Public Procurement and pledged to ensure that they have "systems of procurement based on transparency, competition and objective criteria in decision-making to prevent corruption"[57] in place.

B20 has been calling for a level playing field for major infrastructure projects since 2014, emphasizing its role in creating confidence in the public procurement process and attracting private investment. It calls upon G20 members to align their legislation with the G20 High-Level-Principles for Promoting Integrity in Public Procurement (see Exhibit 15). However, corruption in infrastructure projects can originate even earlier, during the identification and conception stage of a major project, just as it can prevail

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[52] The Brooking Institute, *The Importance of Investing in Built-to-last Infrastructure* (29 March 2016), accessed February 21, 2017, https://www.brookings.edu/blog/future-development/2016/03/29/the-importance-of-investing-in-built-to-last-infrastructure.
[53] The 2017 Task Force (TF) Trade & Investment also emphasizes the importance of sustainable investment facilitation. Please see its Policy Action No. 3.2 for further details.
[54] Frank Beckers and Uwe Stegemann, *A Risk-Management Approach to a Successful Infrastructure Project* (McKinsey & Company, McKinsey Working Papers on Risk, Number 52, November 2013), accessed March 24, 2017, http://www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/a-risk-management-approach-to-a-successful-infrastructure-project.
[55] The B20 Germany 2017 TF Financing Growth & Infrastructure also notes that tackling corruption is a key element of improving private investment conditions in Africa. Please refer to its Policy Action No. 3.2.
[56] See, for example, OECD, *Preventing Corruption in Public Procurement* (2016), accessed on 21 February 2017, http://www.oecd.org/gov/ethics/Corruption-in-Public-Procurement-Brochure.pdf. The OECD publication *Effective Delivery of Large Infrastructure Projects, The Case of the New International Airport of Mexico City* includes a list of government actions to enhance the integrity and transparency of a specific procurement process. OECD, *Effective Delivery of Large Infrastructure Projects, The Case of the New International Airport of Mexico City* (20 November 2015), accessed March 24, 2017, http://www.oecd.org/gov/effective-delivery-of-large-infrastructure-projects-9789264248335-en.htm.
[57] G20 2015 Turkey, *G20 Principles for Promoting Integrity in Public Procurement*, accessed February 21, 2017, http://g20.org.tr/wp-content/uploads/2015/11/G20-PRINCIPLES-FOR-PROMOTING-INTEGRITY-IN-PUBLIC-PROCUREMENT.pdf.

during the realization, modification and amendments of contracts.[58] It is therefore vital to mitigate corruption risks throughout the entire cycle of an infrastructure project, that is from the selection phase, through procurement and the contract, all the way to ribbon-cutting.

Exhibit 15 | International Infrastructure Support System (IISS), Switzerland

The Sustainable Infrastructure Foundation, in collaboration with the Asian Development Bank, has developed IISS, an online project preparation platform. This system provides countries (i.e. public-sector agencies) with templates to prepare projects and has features that enable project teams to collaborate online through the process of project preparation, including the sharing of documents. The platform also includes features that enable information to be shared with investors and the public. The platform has gained the support of multilateral development banks, development finance institutions, international organizations, companies, and long-term investors.

Source: Sustainable Infrastructure Foundation, *IISS International Infrastructure Support System* (2017), accessed February 21, 2017, https://www.sif-iiss.org.

In Infrastructure, B20 companies will only be successful if they provide sustainable products and services that serve the people over the long term. They can promote integrity in their operations and in their global supply chains, while G20 members can improve the quality of infrastructure projects in both their own countries and abroad, and particularly in developing countries.

Policy Action 3.1: Promote Responsible Government Conduct and Transparency

G20 members should address the demand side of corruption and ensure that public infrastructure projects are selected, planned, awarded and managed openly and accountably by promoting integrity in their own organizational structures and processes and by enhancing reporting about project risks, impacts, progress and costs.

There is an urgent need for responsible government conduct and transparency throughout all stages of the project cycle of public and joint public/private infrastructure projects. G20 members need to provide an enabling policy framework for RBC as well as promote responsible conduct at all levels of the government and within public entities.[59] Institutional financing should encourage responsible conduct in loan/subsidy agreements with public entities.[60] Governments should insist on good project preparation by public entities in order to limit uncertainties that could lead to contract claims and renegotiations, which, in turn, carry the risk of non-ethical behavior. Thorough project preparation includes clear and objective bidding criteria and employees in the public sector should receive anti-corruption training. Contracts should be subject to effective legal remedies and procedures in the case of infringement of the relevant laws.

Transparency in infrastructure projects not only promotes accountability and ensures access to information, but it also plays an important role in levelling the playing field for businesses and attracting private investment.[61] It facilitates market access as a result of public procurement processes and past

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[58] See, for example, OECD, *Integrity Framework for Public Investment* (29 February 2016), accessed March 24, 2017, http://dx.doi.org/10.1787/9789264251762-en.

[59] See, for example, OECD, *Recommendation on Public Integrity* (26 January 2017), accessed March 24, 2017, http://www.oecd.org/gov/ethics/recommendation-public-integrity.htm.

[60] The *OECD Policy Framework for Investment 2015 Edition* includes a chapter on enabling policies for RBC. OECD, *Policy Framework for Investment 2015 Edition* (Paris, 2015), accessed March 6, 2017, http://www.oecd.org/investment/pfi.htm.

[61] The 2017 TF Financing Growth & Infrastructure urges G20 to address the challenge of infrastructure finance and emphasizes

costs being visible, and helps SMEs enter markets by lowering the costs of understanding the new market through access to relevant information. However, G20 members must ensure that the publication of project information complies with applicable laws and regulations, including those relating to intellectual property rights (such as trade and business secrets), security, confidentiality, data protection and privacy.

G20 members should implement the G20 Principles for Promoting Integrity in Public Procurement and ensure an adequate degree of transparency of, and accessibility to, general procurement information. Public procurement must be carried out in a transparent manner in order to avoid conflicts of interest and corrupt practices (see Exhibit 16-18). The publication of tender documentation (contract notice, tender, award and justification) and contract documents is important for increasing accountability and reducing illegal direct procurement. To ensure open, fair and transparent conditions of competition, procurement procedures should follow international standards of transparency, set out in an exemplary manner in the plurilateral GPA. Even though many of the G20 members have already signed the GPA or are in the process of doing so, membership should be extended to more countries.[62] To improve information sharing and efficiency, G20 members should consider the use of digital technologies[63] and open data[64] in order to provide information in useable formats that can be connected to other data sets and across different stages of a project.

Exhibit 16 | ProZorro Procurement Reform, Ukraine

A key element of Ukraine's public procurement reform is an e-procurement system called ProZorro (meaning "transparently"). It was developed in close cooperation between the government, private sector, and civil society to eliminate and prevent corruption. ProZorro is based on the Open Contracting Data Standard, a global model for capturing and sharing procurement data. The central platform was hosted by Transparency International Ukraine throughout the development and pilot phase and was later transferred to the state. Complementary initiatives were implemented, including a professional risk-management system, an online course for contracting authorities, and an e-library of typical specifications. Since August 2016, ProZorro is the official e-procurement platform covering all of the country's agencies, including all state-owned enterprises.

Source: ProZorro, *Public Procurement 2017*, accessed February 21, 2017, https://prozorro.gov.ua/en; and Open Contracting Partnership, *ProZorro: How a Volunteer Project led to Nationwide Procurement Reform in Ukraine* (2017), accessed February 21, 2017, http://www.open-contracting.org/2016/07/28/prozorro-volunteer-project-led-nation-wide-procurement-reform-ukraine.

G20 members should ensure that infrastructure project owners report a variety of information to stakeholders. There should be effective transparency mechanisms allowing companies and citizens to enhance accountability with respect to public decisions linked to the selection and appraisal phases of public infrastructure projects. There should be mandatory monitoring of progress, audits, and regular reporting by the infrastructure project owners during the project, including the economic, social and environmental impacts of the project. This includes the disclosure of responsibility during the selection, planning and implementation of the infrastructure, beneficial ownership of all principals, bidding criteria, and selection processes, as well as consideration of anticipated ESG impacts and risks. High-quality, accruals-based financial reporting for governments and the public sector, prepared and audited using

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the lack of structured, standardized and accessible information about projects to assess risks and externalities (see its recommendation 1).

[62] Additionally, to reach out to those who feel unable to sign the GPA in the near future, the WTO negotiations on a "Transparency Agreement" for public procurement should be resumed in order to set up a global minimum standard for transparency.

[63] The B20 Germany 2017 TF Digitalization also calls for the use of digital technologies in public procurement. Please see its Policy Action No. 1 of the recommendation concerning Industry 4.0 and the Industrial Internet for further details.

[64] See G20 commitments on innovation and open data, including the G20 2016 Innovation Plan and the online G20 Community of practice within the existing Innovation Policy Platform. At the 2016 London Anti-corruption Summit, most G20 members committed to making public procurement open by default.

internationally accepted standards, is essential.

G20 members should clearly define access rights to information with the aim of encouraging fair competition, while balancing the interests of protecting sensitive bidder and contractor data with the public's legitimate interest to know how public money is being spent, especially after contracts have been awarded.

Exhibit 17 | Public Sector Financial Reporting, Australia & New Zealand

Australia and New Zealand have used accrual-based financial reporting for the public sector for two decades and are regarded as two of the world's leading countries in terms of public sector financial reporting, disclosure, and financial management. Accruals-based reporting means information and assessments extend beyond the current fiscal year, and future government liabilities (guarantees) and future assets (e.g. when ownership eventually transfers to the government) are considered. In New Zealand, accrual-based systems are also used for budgeting, forecasting, and appropriations, which enables enhanced reporting against projected outcomes. The availability of high-quality, timely information assists in better, more transparent decision-making. This is especially true in the case of governments embarking on major long-term infrastructure development, including joint projects with the private sector.

Source: IMF Fiscal Affairs Department, *Implementing Accrual Accounting in the Public Sector* (September 2016), accessed March 24, 2017, https://www.imf.org/external/pubs/ft/tnm/2016/tnm1606.pdf.

Access to tendering information should be granted to companies that are, or would have been interested in, participating in the respective tender, with the aim of ensuring fair competition. There is also a number of global initiatives that strive to improve the transparency and surveillance of infrastructure projects by making contracting information available for public scrutiny and some jurisdictions (such as the UK and Australia) routinely publish contracts themselves.

Exhibit 18 | Construction Sector Transparency Initiative (CoST)

CoST is a multi-sector stakeholder initiative whose main objective is to promote data disclosure on infrastructure projects in order to increase transparency and accountability. It was launched in 2008 with the support of the UK Department for International Development (DFID) and the World Bank. CoST involves collaboration between governments, industry and local communities in 15 participating countries, spanning four continents. Several African countries are piloting CoST with Tanzania being one of the first countries to launch the initiative. CoST activities enable the authorities to publish disclosed information to the wider public, in order to render decision-makers more accountable. The initiative has managed to overcome a number of challenges, including the initial resistance of public entities to participate, and has proved successful in bringing diverse players together on a voluntary basis.

Source: CoST Tanzania, *Tanzania Country Brief,* accessed February 21, 2017, http://www.constructiontransparency.org/documentdownload.axd?documentresourceid=93.

Policy Action 3.2: Ensure Recognition of Responsible Businesses

G20 members should promote integrity among participating businesses by specifying requirements related to RBC, by encouraging coherent sustainability reporting, and by providing awareness training on anti-corruption and integrity.

G20 members should provide positive recognition to responsible businesses and effective due diligence in the bidding process by specifying objective and verifiable requirements. Governments need to make such incentives transparent and incorporate them properly in national procurement legislation and/or rules so that they are in line with competition law.

Companies wishing to participate in public infrastructure tenders should be required to disclose their beneficial owners and to have adequate anti-corruption practices, that is having effective controls, measures and programs in place to manage corruption risks and build such capacity in their supply chains.

G20 members should consider the RBC and ESG performance of bidders as a bidding criteria and promote internationally backed due-diligence recommendations for non-financial risk assessment[65]. While companies are already rated on their ESG performance, and their ratings can be considered by governments during the bidding process, coherent sustainability reporting requirements would considerably strengthen transparency. Corporate reporting on sustainability would allow companies to make stakeholders aware of their contribution to sustainable development and enhance the monitoring framework for SDGs.[66] Investors have specific interest in such reporting to assess how companies are addressing financial and reputational risks associated with sustainability challenges. G20 members should, therefore, strengthen reporting requirements that improve the comparability and reliability of information provided by companies about non-financial (i.e. ESG) issues, encourage the use of coherent standards, such as the widely used Global Reporting Initiative (GRI), and avoid overly burdensome obligations (see Exhibit 19).

Exhibit 19 | Disclosure of Non-financial and Diversity Information, EU

The EU has significantly strengthened its disclosure requirements with Directive 2014/95/EU. As of 2018, companies with more than 500 employees will be required to disclose relevant non-financial information to provide investors and other stakeholders with a more complete picture of their development, performance and position, including the impact of their activity. Companies will be given the freedom to disclose this information in the way they find useful, but they are encouraged to rely on recognized frameworks such as GRI's Sustainability Reporting Guidelines and the UN Global Compact. The European Commission will publish non-binding guidelines on how to report non-financial information in spring 2017.

Source: The European Parliament and the Council of the European Union, *Directive 2014/95/EU: Disclosure of Non-Financial and Diversity Information*, accessed February 21, 2017, http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0095&from=EN.

Currently, financial institutions, developers and constructors need to refer to various international sus-

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[65] Such as the OECD Due Diligence Guidance for Responsible Business Conduct, scheduled to be released in 2017 and specific due diligence guidance for the minerals, extractives, agriculture, garment & footwear and financial sectors. OECD, *Sectoral Guidelines*, accessed March 24, 2017, http://mneguidelines.oecd.org/sectors/.

[66] See, for example, ICC, *Sustainability Reporting – Future Directions* (December 2015), accessed March 24, 2017, http://www.iccgermany.de/fileadmin/user_upload/Content/Umwelt_und_Energie/ICC_Policy_Statement_on_Sustainability_Reporting_-_Future_directions.pdf; and ICC, *ICC Business Charter for Sustainable Development – Business Contributions to the UN Sustainable Development Goals* (September 2015), accessed March 24, 2017, https://iccwbo.org/publication/icc-business-charter-for-sustainable-development-business-contributions-to-the-un-sustainable-development-goals/.

tainability frameworks related to infrastructure and adhere to individual principles of multilateral development banks. To improve the ESG impact of infrastructure projects, G20 members should highlight and support the coordination of existing sector-/industry-specific ESG frameworks and initiatives[67]. G20 members should promote responsible public procurement based on best value (for example, the true total cost of ownership) rather than lowest cost tendering. In many cases, rather than lowest price bidding delivering cost savings, it is more likely to result in time and cost overruns, ultimately leading to poor value for money and greater maintenance and operation costs over the entire lifecycle of built assets.

G20 members should exclude tenderers that have been convicted of illicit practices – such as corruption, fraud, money laundering, bid-rigging, or non-payment of taxes or social security contributions – or proven unreliable as a result, for instance, of violations of environmental or social obligations or other forms of grave professional misconduct. They could also take into account the outcomes of cases (known as "specific instances") handled by NCPs for the OECD Guidelines for Multinational Enterprises.[68] Legal provisions should include a maximum duration for such exclusions, the principle of proportionality and legal recourse, as well as the possibility of avoiding exclusion through self-cleaning. G20 members should recognize self-cleaning by aligning legislations that allow bidders to reapply for public contracts in the event of previous misconduct, provided that they have since implemented effective measures to manage the risk. The European procurement directive, for example, provides a second chance to companies that "adopt compliance measures aimed at remedying the consequences of any criminal offences or misconduct and at effectively preventing further occurrences of the misbehavior".[69]

G20 members should provide adequate integrity training for contracting authorities and bidders of infrastructure projects, including project-specific anti-corruption risks, business ethics and ESG impacts (see Exhibit 20).

Exhibit 20 | Mandatory Training for Bidders, Republic of Korea

In order to revamp the tainted image of the construction industry, the Ministry of Land, Infrastructure and Transport (MOLIT) of the Republic of Korea introduced a new regulation, the amended Article 9-3 of the Framework Act on the Construction Industry, on 11 August 2015 as Act No. 13469. Any newly registered construction company should receive mandatory training on topics such as business ethics, fair competition, the environment, safety, quality management, and technical standards at six construction industry associations nationwide. The revised law further provides incentives for bidders with misconduct cases. Any company under suspension can reduce penalty days if it receives business ethics and technical training.

Source: Ministry of Land, Infrastructure and Transport (MOLIT) of the Republic of Korea, *Framework Act on the Construction Industry*, accessed March 1, 2017, http://elaw.klri.re.kr/kor_service/lawView.do?hseq=37712&lang=ENG.

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[67] Such as the Harvard University Envision, the Global Infrastructure Basel Standard for Sustainable and Resilient Infrastructure, the environmental and social safeguard policies of Inter-American Development Banks, the World Bank Infrastructure Hub and the G20 GIH.

[68] Since 2000, NCPs have received 400 complaints about alleged non-observance of the guidelines by multinational enterprises. Most cases have been handled by NCPs from G20 members. See also footnote 54.

[69] The European Parliament and the Council of the European Union, *Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement*, accessed March 24, 2017, http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014L0024-20160101&from=EN.

Policy Action 3.3: Support Collective Action

G20 members should promote Collective Action, that are initiatives between different businesses, and between businesses and the public sector, which foster integrity (such as Integrity Pacts and High Level Reporting Mechanisms). G20 should initiate a study that explores joint ways of fighting corruption and misconduct in infrastructure projects.

The fight against corruption is one area that benefits significantly from coordinated efforts exercised as Collective Action. Companies, governments and institutions can come together to mitigate misconduct and combat corruption. B20 has been calling upon G20 members to encourage anti-corruption Collective Action since 2013. B20 facilitates Collective Action initiatives and knowledge-sharing through the B20 Collective Action Hub, which was mandated to the Basel Institute in close partnership with the UN Global Compact in New York in 2013. The platform offers tools and a forum for businesses to take concrete action to jointly step up against corruption and strengthen good business practice. It also provides a space for business and governments to collaborate in this endeavor.

G20 members should support Integrity Pacts (IPs), High Level Reporting Mechanism and other forms of Collective Action (see Exhibit 21,22)[70]. IPs were developed by TI in 1994 as a tool for promoting integrity in public-sector contracts signaling that the bidder has been selected on the basis of fair criteria and that the execution of the contract is being monitored. They are short-term, project-specific formal agreements between a customer (usually a public entity) and a bidder (usually a company), in which the parties agree to adhere to fairness and transparency and confirm that they will abstain from bribery, collusion and other illicit practices throughout the duration of the contract. IPs include a monitoring system to ensure accountability and also provide for sanctions which may even lead to the exclusion of the company from further invitations to tender.

Exhibit 21 | TI Integrity Pacts for Public Procurement, Hungary

In Hungary, a combination of IPs and the Red Flags Database is being promoted by TI Hungary to evaluate public procurement practices. Since 2011, several IPs have been implemented in Hungary for various procurement types including public relations and financial management services to technical controllers, construction, and computer hardware acquisition. TI Hungary's other developments include a visualization tool that has allowed visitors to easily track the procurement process and current phase of a specific project. While the Hungarian Public Procurement Act does not foresee exclusion of bidders, the Hungarian experience has shown that breaching the contract can result in disclosure to the public, which acts as a deterrent. TI Hungary has also prepared e-learning material to inform the employees in institutions that have signed IPs.

Source: Transparency International, *Clean Contracts*, accessed February 21, 2017, https://transparency.eu/project/clean-contracts.

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[70] More examples of current Collective Action initiatives can be found at www.collective-action.com; UN Global Compacts, *A Practical Guide for Collective Action Against Corruption* (2015), accessed February 21, 2017, www.unglobalcompact.org/library/1781.

Exhibit 22 | Clean Contracting Project, EU

Based on the results of the learning reviews, TI has developed a Clean Contracting approach that is based on three elements: open contracting data (e.g. Red Flags platform), independent monitoring and effective social accountability mechanisms (i.e. participation and monitoring by affected communities during all phases of the procurement process). The Clean Contracting Project brings together the government, private sector, civil society and citizens to monitor 17 major public contracts in eleven EU countries worth nearly EUR 1 billion. It aims to ensure that high-profile contracts are designed, implemented and overseen without interference by corrupt parties and carried out as intended, in line with public interest. The project engages not only all parties to a public contract but also the communities directly affected by the public contract, for example, those who live near to where a flood reservoir, highway, hospital or other facility is being built. By setting precedents for clean practices throughout each country's public contracting process, the project aims to build confidence among citizens, government agencies and the private sector that funds are being spent as they should – and that redress is possible if corruption does occur. The project is coordinated by TI with the financial support of the EU's Directorate-General for Regional and Urban Policy (DG Regio).

Source: TI, *Clean Contracting,* accessed February 21, 2017, http://www.transparency.org/whatwedo/activity/clean_contracting_safeguarding_eu_funds_in_europe.

Continuous research – including two learning reviews of 2015 commissioned by TI[71] – identified key success factors for effective IPs and led to an evolvement of IPs.

A High Level Reporting Mechanism (HLRM) is a mechanism for reporting bribery solicitation and extortion attempts developed by the Basel Institute and the OECD.[72] It is a reporting channel above the level of the public agency or ministry involved, which companies can use to report solicitations or extortion.[73] This ensures a speedy response to the report and reduces the risk of collusion, which, in turn, also reduces the risk of companies suffering from retaliation and loss of business. The objective of this mechanism is to enable companies to report bribery solicitation in a timely fashion, that is immediately after the attempted solicitation. This allows the authority in charge of implementing the mechanism to verify the reports and take remedial action without delaying the process. B20 also underlines the importance of being able to report quickly from the ground, for example, when held up in customs (see Exhibit 23).[74]

Exhibit 23 | HLRM, Colombia

The first HLRM was implemented in Colombia with the support of Colombia's Office of the Secretary of Transparency. It called on experts from the government, academia, international financial institutions and local professional associations, as well as specialists in procurement, civil engineering and project management. The HLRM was launched on 2 April 2013 by the President of Colombia. It has been designed to alert senior officials within the procuring agencies of any irregularities in their processes and to enhance supervision of particular procurement procedures. The HLRM will also be used to review the selection criteria for bids.

Source: Charlie Monteith, *What is Collective Action?* (Ethic Intelligence, June 2013), accessed March 24, 2017, http://www.ethic-intelligence.com/experts/309-what-is-collective-action/.

There are also other forms of Collective Action, such as anti-corruption networks or declarations, that

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[71] Blomeyer & Sanz, prepared for: TI Secretariat, *Learning Review: Integrity Pacts for Public Procurement* (20 April 2015), accessed March 24, 2017, https://www.transparency.org/files/content/ouraccountability/2015_IntegrityPactsProcurement_LearningReview_EN.pdf; and Basel Institute, in partnership with Blomeyer & Sanz, *Learning Review: Transparency International's Integrity Pacts for Public Procurement* (December 2015), accessed March 24, 2017, https://www.transparency.org/files/content/ouraccountability/2015_IntegrityPacts_LearningReview_EN.pdf.
[72] See more online. B20 Collective Action Hub, *High Level Reporting Mechanism,* accessed March 24, 2017, http://www.collective-action.com/initiatives/hlrm.
[73] HLRM implement guiding principle 2 (easily accessible reporting channels) and 3 and 4 (engage in Collective Action) of the 2013 G20 Guiding Principles to Combat Solicitation.
[74] The 2017 TF Trade & Investment also stresses the role of customs corruption as a trade barrier in its Policy Action No. 1.2.

are initiatives by a group of companies, or by companies and the government, committing the parties not to engage in corruption, seeking ways to fight corrupt practices and respond to corruption should it be detected (see Exhibit 24-28).[75]

Exhibit 24 | Maritime Anti-Corruption Network (MACN), Nigeria

The Maritime Anti-corruption Network (MACN), consisting of shipping and freight-forwarding companies, and some key ship investors, has grown over five years from around 20 members to over 70. The MACN launched its first Collective Action project in Nigeria in partnership with the UN Development Program (UNDP) in 2012. It combats corruption in major Nigerian ports, where vessels have often been met with demands for facilitation payments by port officials. Nigeria's government and the companies involved both acknowledged the problem and their commitment to resolve it. Relevant government agencies are now collaborating with the MACN to generate training, standard operating procedures covering the actions of vessel officers and port officials during port calls, a formal complaints process, and enhanced cooperation between various agencies. The UNDP has contributed funds and other resources to the project, which has also received support from the UK government, for example. The key aim of the MACN project is to achieve effective collaboration between government agencies and companies to eliminate corruption by employing simple practical tools and processes.

Source: Maritime Anti-Corruption Network (MACN), accessed February 21, 2017, http://www.maritime-acn.org/#home.

Exhibit 25 | APEC Construction and Engineering Principles (Hanoi Principles)

To help foster a high-integrity construction and engineering industry across the region, the APEC SME Construction and Engineering Expert Working Group (EWG), which involves representatives from all 21 APEC economies, has developed the Hanoi Principles for Voluntary Codes of Business Ethics in the Construction and Engineering Sector, which promote a fair marketplace through ethical business conduct. These principles help to facilitate an open and transparent business environment, free from corruption and undue influence, enhancing the ability of companies, especially small and medium-sized businesses, to participate in global markets. The Hanoi Principles provide guidance on how companies can voluntarily develop a practical and effective compliance program to implement these principles.

Source: APEC, *The Hanoi Principles for Voluntary Codes of Business Ethics in the Construction and Engineering Sector*, 2011/CSOM/022, accessed February 21, 2017, http://www.giaccentre.org/documents/APEC.HanoiPrinciples.pdf.

Exhibit 26 | Anti-Corruption Charter of Russian Business, Russia

The Anti-corruption Charter was first established by the Russian Union of Industrialists and Entrepreneurs (RSPP), the Chamber of Commerce and Industry of the Russian Federation, and two business associations in 2012. By 2016, it had acquired over 2000 signatories, including major Russian companies, SMEs and individual entrepreneurs. It promotes raising anti-corruption awareness, risk assessment, due diligence, and financial and commercial controls, among many other aims. Every two years, participants are required to submit a declaration of their work or the results of an independent anti-corruption audit. Companies are able to engage an accredited organization that will make an assessment and provide professional assistance in the improvement of anti-corruption measures. Based on the positive conclusion of the expert center, the Joint Committee of the Anti-Corruption Charter issues a certificate of acknowledgment for the company.

Source: Anti-corruption Charter for Russian Business, accessed February 21, 2017, http://against-corruption.ru/images/documents/Anti-Corruption_Charter_of_the_Russian_Business.pdf.

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[75] B20 Collective Action Hub, accessed February 21, 2017, http://www.collective-action.com/resources/typology.

Exhibit 27 | Fair Player Club, Republic of Korea

The Fair Player Club is an anti-corruption initiative that aims to promote fair market conditions in Korea by creating a public- and private-sector platform for an anti-corruption ecosystem. The Fair Player Club pursues a spirit of fair-play in business conduct, requiring that all market players comply with the law. It promotes collaboration between central and metropolitan governments, foreign embassies, industry associations and chambers of commerce, awareness training and consensus building to promote anti-corruption through a Fair Play Pledge, aiming to obtain support from over 200 companies.

Source: The project forms part of the Siemens Integrity Initiative by the UN Global Compact Network Korea and Global Competitiveness Empowerment Forum. Siemens, *Global Compact Network Korea (GCNK) in cooperation with Global Competitiveness Empowerment Forum (GCEF)*, accessed February 21, 2017, http://www.siemens.com/about/sustainability/en/core-topics/compliance/collective-action/integrity-initiative/status-second-funding-round/global-compact-network-korea-gcnk.htm.

Exhibit 28 | UNODC, Supporting Collective Action in Colombia

Working in collaboration with the UN Global Compact Network in Colombia, UNODC launched a project in Colombia to increase public- and private-sector cooperation and knowledge-sharing.[1] The project aims to involve the public sector in discussions about anti-corruption regulations and policies, and potential areas of improvement in the legislative framework in Colombia. By engaging the public and private sectors and learning from the experiences of the private sector, UNODC intends to increase accountability and integrity on both sides. The project also aims to train local private- and public-sector representatives in UNODC workshops so that they can interact with SMEs to deliver sustainable learning on anti-corruption and RBC even after the projects' completion.

1) This project is being implemented under the Siemens Integrity Initiative (SII).

G20 should initiate a fact-finding study that explores joint ways to fight corruption in infrastructure projects. Infrastructure projects may pose more or less of a risk for corruption and misconduct depending on the project's complexity and geographic location. B20 suggests a review of specific infrastructure projects and the development of appropriate mitigating strategies by an expert group, for example, a voluntary group of project experts and selected compliance officers housed under the Collective Action Hub at the Basel Institute, in cooperation with the GIH. B20 also encourages G20 to find out what G20 members can do to speed up the means by which concerned stakeholders can come together and determine a course of action against corruption.

Annex

Acronyms

ACAD	Anti-Corruption Academic Initiative
ACWG	Anti-Corruption Working Group
APEC	Asia-Pacific Economic Cooperation
BIAC	Business at OECD
CMS	Compliance Management System
CoST	Construction Sector Transparency Initiative
CRS	Common Reporting Standard
CTG	Cross-thematic Group
DEPE	De Empresas para Empresas
DFID	UK Department for International Development
E4J	Education for Justice
ESG	Environmental, Social and Governance
EWG	Experts Working Group
FATF	Financial Action Task Force
FCPA	Foreign Corrupt Practices Act
GDP	Gross Domestic Product
GIH	Global Infrastructure Hub
GPA	Government Procurement Agreement of the World Trade Organization
GRI	Global Reporting Initiative
HLRM	High Level Reporting Mechanism
IACA	International Anti-Corruption Academy
ICC	International Chamber of Commerce
ICIJ	International Consortium of Investigative Journalists
IISS	International Infrastructure Support System
IMF	International Monetary Fund
IPs	Integrity Pacts
ISO	International Organization for Standardization
MACN	Maritime Anti-corruption Network, Nigeria
MOLIT	Ministry of Land, Infrastructure and Transport of the Republic of Korea
NCPs	National Contact Points for the OECD Guidelines for Multinational Enterprises
NGO	Non-governmental Organization
OECD	Organization for Economic Co-operation and Development
OLAF	European Anti-Fraud Office
PIARC	The World Road Association
PRME	United Nations Principles for Responsible Management Education
RBC	Responsible Business Conduct
RSPP	Russian Union of Industrialists and Entrepreneurs
SDGs	Sustainable Development Goals
SII	Siemens Integrity Initiative
SME	Small and medium-sized enterprises
StAR	Stolen Asset Recovery Initiative

TF	Task Force
TI	Transparency International
TISI	Transparency International School on Integrity
UN	United Nations
UNCAC	United Nations Convention against Corruption
UNDP	United Nations Development Program
UNODC	United Nations Office on Drugs and Crime
WTO	World Trade Organization

Taskforce

Leadership

The CTG was established under the leadership of coordinating Chair Dr. Klaus Moosmayer, Chief Compliance Officer, Siemens AG and Anti-Corruption Chair of Business at OECD (BIAC). He was supported by Co-Chairs Andrei Bougrov, Deputy Chairman of the Board of Directors and Senior Vice President of MMC Norilsk Nickel, André Gustavo de Oliveira, Legal Director of BASF South America, Corinne Lagache, Senior Vice President and Group Compliance Officer of Safran SA, Jorge Mandelbaum, President of CIPPEC and Anny Tubbs, Chief Business Integrity Officer of Unilever.

At the working level, a Coordination Group was established to develop the deliverables of the CTG. It consisted of CTG Co-Chairs and partners and was assisted by the B20 Sherpa Dr. Stormy-Annika Mildner, as well as B20 Special Advisor Robert Milliner.

The work of the CTG was supported by several partners. Project assistance was provided by Alexander Geschonneck, Head of Forensic at KPMG Germany, and other thematic experts at KPMG. The Knowledge Partner developed content and deliverables for the CTG and supported the B20 Secretariat and the Chair in facilitating information-gathering and sharing among CTG members.

Expert advice was provided by BIAC and ICC. The Network Partners' primary tasks are to disseminate CTG recommendations in their own constituency and initiate advocacy activities.

The Alliance for Integrity brought in expertise as Concept Partner, assisted in the development of B20 priorities, and co-organized several events with B20 Germany.

Membership

The CTG consists of executives from G20 companies and business associations. Their primary task was to develop policy proposals by engaging in discussions and sharing hands-on experience. Decisions were made on a consensual basis. Members were, and continue to be, responsible for advocating CTG positions within their country or constituency. Non-business experts on CTG issues (for example, representatives of think-tanks, NGOs or international organizations) contributed advice to the CTG.

Policy Development

The policy recommendations in this paper were made by the CTG. The policy development process began with an induction document to develop themes for investigation. Each theme was debated within the CTG to generate draft recommendations. The draft recommendations were refined in an iterative process before being finalized and submitted to the B20 office. The CTG met five times before the B20 summit and exchanged ideas and material between meetings.

Schedule of CTG Exchange

#	Date	Location	Theme
1	21 October 2016	Basel, Switzerland	Preliminary scoping of issues
2	2 December 2016	Berlin, Germany	Meeting of the CTG to discuss 1st draft
3	27 January 2017	Berlin, Germany	Meeting of the CTG to discuss 2nd draft
4	28 February 2017	Conference call	Call among members of the CTG to discuss 3rd draft
5	22 March 2017	Paris, France	Joint B20 meeting – presentation of final paper
6	2–3 May 2017	Berlin, Germany	B20 Summit with Chancellor Merkel

In addition, the Alliance for Integrity's Global Conference "From Commitment to Action – Application of Integrity in Practice" was held as a B20 Anti-Corruption Forum on 17 November 2016 in Buenos Aires, Argentina. The conference brought together 180 representatives from different stakeholder groups, debating the implementation of business integrity and sharing good practice.

Distribution of Members

Country	#	Country	#	Country	#	Country	#
Argentina	3	France	9	Mexico	2	Turkey	5
Australia	3	Germany	15	Netherlands	1	United Kingdom	10
Austria	1	India	5	Russia	2	United Arab Emirates	1
Belgium	1	Italy	2	Saudi Arabia	2	United States	12
Brazil	4	Japan	2	South Africa	2	International	12
Canada	3	Jordan	1	Spain	3	Total	112
China	8	Korea	2	Thailand	1		

Cross-thematic Group Members

Last name	Company/Organization	Country	Deputy
Chair			
Klaus Moosmayer	Business at OECD (BIAC)/Siemens	International	Julia Sommer
Co-Chairs			
Andrey Bugrov	MMC Norilsk Nickel	Russia	Elena Shtyka-nova
Corinne Lagache	Safran Group/MEDEF	France	Grégoire Guinand
Jorge Mandelbaum	CIPPEC	Argentina	
Andre Oliveira	BASF South America	Brazil	
Anny Tubbs	Unilever	UK	
Members			
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Cesar Amin Anchondo Alvarez	COPARMEX	Mexico	
Marta Anzani	Poliform spa / Federlegno Arredo / Confindustria	Italy	
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Lorenzo Berho	Vesta Management -COMCE	Mexico	
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