SCCE
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Compliance and Ethics

SINGAPORE
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Regional Compliance & Ethics Conference

**Overview and Practical Review of ISO37001
Antibribery Management Systems**

Dr. KM Loi
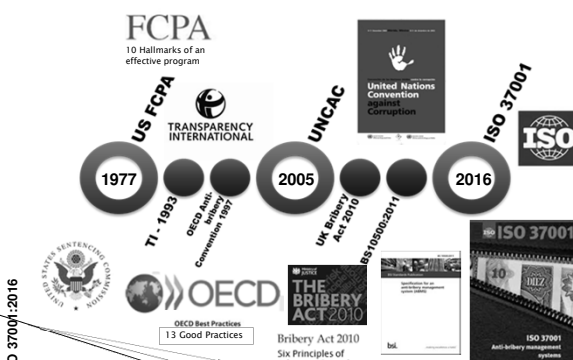Vice Chair, ISO/PC278 (ISO37001)

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Consultant, Actualize Compliance

Agenda

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‣**A quick overview of ISO37001**

‣**Practical review of ISO 37001 Guideline**

‣**What is the requirement for certification, and who is qualified for auditing**

‣ **Q & A**

Milestones towards ISO 37001

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FCPA
10 Hallmarks of an effective program

US FCPA

TRANSPARENCY INTERNATIONAL

UNCAC

United Nations Convention against Corruption

ISO 37001

ISO

1977   TI - 1993   OECD Anti-bribery Convention 1997   2005   UK Bribery Act 2010   BS10500:2011   2016   ISO 37001

OECD

THE BRIBERY ACT 2010

Bribery Act 2010
Six Principles of Adequate Procedures

OECD Best Practices
13 Good Practices

ISO 37001
Anti-bribery management systems

ISO 37001:2016

Development of ISO37001

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Objective and background	• To develop ISO anti-bribery management standard for public, private and non-profit sector. Generic and applicable to all sizes & types of organizations
Participating entities	• Multiple countries including:
Approach	• 65 experts working towards this International Standard
Publication	• October 2016

- New Work Item Proposal (NWIP) : Nov 2012 – Feb 2013
- Preliminary Meeting ISO/PC 278 : 27 Experts met in London from 24 – 27 June 2013.
- 1st Plenary Meeting ISO/PC 278 : 35 Experts met in Madrid from 25 – 27 March 2014.
- 2nd Plenary Meeting ISO/PC 278 : 65 Experts met in Miami from 16 – 19 Sept 2014.
- 3rd Plenary Meeting ISO/PC 278 : 65 Experts met in Paris from 23 – 27 March 2015
- 4th Plenary Meeting ISO/PC 278 : 65 Experts met in Kuala Lumpur from 28 Sept – 02 Oct 2015.
- 5th Plenary Meeting ISO/PC 278 : 65 Experts met in Mexico City from 30 May – June 03, 2016.

ISO 37001:2016

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YES	YES	NO	ABSTAIN
Australia	Mexico	Egypt	Austria
Brazil	Nigeria	France	Croatia
Canada	Norway	Morocco	Czech Republic
Colombia	Pakistan		Lebanon
Denmark	Saudi Arabia		
Ecuador	Serbia		
Germany	Singapore		
Guatemala	Spain	DID NOT CAST	COMMENT
India	Sweden	Cameroon	Argentina
Iraq	Switzerland	PR China	Transparency International
Israel	Tunisia		
Kenya	United Kingdom		
Malaysia	United States		
Mauritius	Zambia		

90% (+)ve VOTE

ISO 37001
Anti-bribery management systems

ISO 37001:2016

What is ISO 37001:2016?

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- **It is designed to help an organization establish, implement, maintain, and improve an anti-bribery compliance program or "management system."**

- **It includes a series of measures and controls that represent global anti-bribery good practices.**

- **Now, there is an internationally-recognised minimum set of measures for an organisation to have in place to prevent, detect, response and investigate bribery.**

ISO 37001:2016

ISO 37001 Certification

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3rd party certification bodies can certify an organization's compliance with ISO 37001 standard in the same way they do for other ISO standards (ISO 9001, ISO 14001, etc)

While it cannot guarantee that there will be no bribery in relation to your organization, certification or compliance with this ISO 37001 standard can help you implement robust and proportionate measures that can substantially reduce the risk of bribery and address bribery where it does occur.

ISO 37001:2016

ISO37001:2016

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←---PLAN---→ DO CHECK ACT

High level structure
- requirement for certification
- The certification is valid for 3 years and is subject to yearly surveillance reviews

ISO 9001:2015   ISO 14001:2015   ISO 18001:2007   ISO 22301:2012   ISO/IEC 27001:2013

Certification

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Up to April 2017

No:	Area	No:
1.	Europe	60
2.	Asia	20
3.	Americas	10
4.	Middle East	6
	Total	**96**

Certified Organizations

Europe : 60 (62.50%)

Asia : 20 (20.83%)

Americas : 10 (10.42%)

Middle East : 6 (6.25%)

ISO 37001:2016

INPRES No: 10 / 2016

Aksi Pencegahan Dan Pemberantasan Korupsi

Tahun 2016 dan Tahun 2017

ISO 37001:2016

Indonesian Oil & Gas Sector

ABMS and its compliance program greatly reduces the risk to your organization of suffering the high costs, penalties and reputational damage associated with bribery.

ISO 37001:2016

Argentina – No: 27401

The Argentine Congress has taken new steps to fight transnational bribery and crimes against the public administration with its passage of the Law on Corporate Criminal Liability No. 27401 on Nov. 8, 2017. The law is intended to raise awareness among companies on how they can prevent corruption, specifically with efforts to strengthen organizational culture, controls and anti-fraud policies as well as their processes and systems.

ISO 37001:2016

State Law No.7.753/2017

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According to the State Law No: 7.753/2017 of Rio de Janeiro, which now requires companies interested in doing business with the State Government to implement and maintain Compliance Programs.

The requirement only applies to public contracts that are valid for 180 days or more and that surpass BRL 1,500,000.00 Reais for construction works and engineering services, or BRL 650,000.00 Reais for purchase of goods and provision of services.
November 22, 2017

ISO 37001:2016

QUÉBEC, June 13, 2018

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The Minister for Integrity of Public Contracts and Information Resources, Robert Poëti, announced that the Government of Québec will continue its efforts to counter corruption by setting up a project major pilot to implement the ISO 37001 standard in various public entities.

1. Hydro-Québec
2. Department of the Family
3. Center for Shared Services
4. Department of Transportation, Susta
 Mobility & Transportation Electrificat...

ISO 37001:2016

Practical review on 37001

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‣ Shall we benchmark our program using ISO37001 framework?
‣ Shall we go for ISO37001 certification?

Different views

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Compliance Community

Kristy Grant-Hart on ISO 37001: Who's doing the certifying (and other responses to Hui Chen)

Kristy Grant-Hart, CEO of Spark Compliance

DEFECTS IN THE ISO 37001 CERTIFICATION

Thomas R. Fox, Compliance Evangelist

Worth MacMurray: How to know if your program is ISO 37001 certifiable

Worth MacMurray, Principal at Governance & Compliance Initiatives

Toward Evidence-Based Programs: Thoughts on ISO 37001 and Certifications

Chen Hui, ex-DOJ Compliance Counsel

HOW DOES THE ISO 37001 FOSTER AN EFFECTIVE COMPLIANCE CULTURE?

Philippe Montigny, CEO of ETHIC Intelligence

Shall we adopt 37001 standard?

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YES

- A structured process to identify the missing anti-bribery components / benchmarking/ areas for continuous improvement
- Ensures all the "active" records and procedures are well documented
- Endorsed by a neutral third party with regular audits/reviews
- ISO 37001 audits mobilize every department in the company
- Suppliers and subsidiaries to meet the same objective standard
- Enables companies to navigate through the legal requirements of different legal jurisdiction

NO

- A paper program
- Nothing new
- No statistical evidence it is effective
- Not a guarantee that bribery will never occur
- Unclear if it will reduce fines/ sentence if a company is prosecuted
- Costs may outweigh the benefits (money, time and resources)
- Unclear if the standard will be widely adopted
- How good/consistent for certification bodies/auditors to perform the certification

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How to adopt ISO37001 standard

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- **Define scope** of the existing anti-bribery management systems
- Perform **gap analysis** to identify the gaps (vs requirement)
- **Train** the project team and interested parties
- Plan & **develop** (vs gap) of **documentation/processes/ indicators** to fulfill the requirement
- Implementation/**data collection**
- Conduct **training** before internal audit/certification
- Perform **internal audit** and **management review**
- Conduct pre-assessment audit (optional)
- Request certification body to perform stage 1 & stage 2 audits (for certification)
- Provide corrective actions for minor non-conformity(if any) before obtaining the certification (for certification)

Certifying bodies are important

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Certifying and audit bodies are governed by

•**ISO 19011:2011** (guidance on auditing management systems, including the principles of auditing, managing an audit programme and conducting management system audits, and evaluation of competence of individuals involved in the audit process)

•**ISO/IEC Technical Standard 17021-1** Conformity Assessments - Requirements for Bodies Providing Audit and Certification of Management Systems;

•**ISO/IEC Technical Standard 17021-9** Conformity Assessment - Requirements for Bodies Providing Audit and Certification of Management Systems Part 9; Competence Requirements for Auditing and Certification of Anti-Bribery Management Systems

- **ISO 37001 requirements**
- **Bribery concepts & scenarios, risks associated with 3rd parties, and "red flags"**
- **Bribery risk assessment and due diligence**
- **Designing and evaluating anti-bribery controls**

Certifying bodies are important

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Evaluate your potential CB based on your organization's needs:

‣ Accredited vs. Unaccredited?
‣ Recognized locally, regionally, globally?
‣ Experience in the relevant industry, geography, organization size & structure?

A list of Certification Bodies can be obtained from respective NABs (national accreditation bodies). In Singapore, it is Singapore Accreditation Council (SAC) - Spring Singapore.

ISO37001 Certification

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Support from all levels

Reasonable, proportionate, practicable

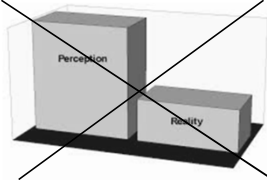## ISO37001:2016 Certification

Certifications are not a guarantee against future misconduct, nor does it shield a company from prosecutions

No one size fits all compliance programme, depends on the risks of the company is operating (sector, geography, likelihood of dealing with government officials/third parties)

ISO37001 standard

DO NOT OVER-ESTIMATE its values – No Bribery at all or a shield from prosecution !

There are other guidelines/ best practices to build an effective anti-bribery program

ISO37001 is a Certified Standard

It's the process in putting those best practices together and are reviewed continuously

Questions

KM Loi & Associates | **AC ACTUALIZE COMPLIANCE**

You can also send your questions to

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