

# ISO standard on anti-bribery management systems



On 13 October 2016 the **International Organization for Standardization** (ISO) published the first international standard for anti-bribery management systems. **ISO 37001** (the standard) is designed to help organizations prevent, detect and respond to bribery. It sets out requirements that an organization seeking certification of compliance with the standard must meet, drawing on elements appearing in previously published guidance on **anti-bribery** and **corruption compliance**.<sup>1</sup>

## A closer look at the standard

The standard requires that:

- the design of the anti-bribery management system takes into account the type, size and nature of the organization and the bribery risks it faces
- top management and those charged with governance take an active role in the implementation and ongoing maintenance of the system
- appropriate measures are taken to ensure that personnel understand and can execute their responsibilities in respect of the system
- bribery risks posed by counterparties are adequately assessed and appropriately mitigated
- appropriate anti-bribery controls are implemented in respect of transactions and business processes
- effective and secure mechanisms for raising concerns regarding bribery are available to personnel

- the organization is able to respond appropriately to violations that are brought to its attention and
- the effectiveness of the system is monitored and, as appropriate, measures are taken to improve it.

To comply with the standard, organizations' systems must address risks of public and private bribery, active and passive bribery, direct and indirect bribery and facilitation payments. An organization is also expected to satisfy itself that third parties do not engage in bribery on its behalf even where the organization has not specifically encouraged such behavior.

The scope of the standard is limited to bribery, but an organization could choose to address bribery risks as part of a broader management system.

<sup>1</sup> The standard and further details can be accessed at [http://www.iso.org/iso/catalogue\\_detail?csnumber=65034](http://www.iso.org/iso/catalogue_detail?csnumber=65034).

# Frequently asked questions

## What makes ISO 37001 different from existing guidance?

The content of the standard draws on existing guidelines, such as those produced by the US<sup>2</sup> and UK<sup>3</sup> authorities, but it is by definition an international standard. It is designed to provide an approach to anti-bribery compliance that can be applied consistently on a global basis and independently assessed.

## How is ISO 37001 certification obtained?

Certification of compliance with the standard is based on detailed scrutiny of an organization's anti-bribery management system by an independent third party that has been authorized to provide certifications by an ISO national member body. Maintaining the certification requires periodic external audits of ongoing compliance.

## Will ISO 37001 certification act as a shield against enforcement action?

It is not expected that compliance with the standard will be treated by the competent authorities as proof positive that an organization has taken adequate measures to prevent bribery, providing it with an automatic defense or entitlement to leniency should a breach occur. However, an organization that operates to the standard can expect to be

in a position of strength in justifying its actions to the competent authorities in case a breach does occur. As past experience shows, the authorities will consider a range of factors, including the existence of an effective compliance program, when determining appropriate enforcement action.

## What other benefits can an organization expect from ISO 37001 certification?

For organizations subjected to complex and time-consuming due diligence or monitoring from business partners, proof of ISO 37001 certification may provide sufficient assurance for business partners to reduce the amount of due diligence necessary, reducing time and costs and potentially offering the certified organization with a source of competitive advantage in winning business.

## Can an organization benefit from ISO 37001 without obtaining certification?

Even organizations who decide not to seek certification themselves may find the standard valuable as a basis for evaluating and improving their existing anti-bribery management system or for evaluating the anti-bribery management systems of current and potential business partners.

## About us

KPMG and its network of member firms have extensive experience in assisting clients in preventing, detecting and responding to bribery and other forms of misconduct worldwide.

To discuss the implications of ISO 37001 for your business please contact us.

<sup>2</sup> US Department of Justice, US Securities and Exchange Commission (2012) 'A Resource Guide to the US Foreign Corrupt Practices Act'.

<sup>3</sup> UK Ministry of Justice (2011) 'The Bribery Act 2010: Guidance about procedures which relevant commercial organizations can put into place to prevent persons associated with them from bribing (section 9) of the Bribery Act 2010.'

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