

The role of anti-corruption compliance in the business sector in the protection of European funds

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- International Anti-Corruption Academy

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AN INTERNATIONAL CENTRE OF EXCELLENCE FOR A
NEW AND HOLISTIC APPROACH TO FIGHTING CORRUPTION

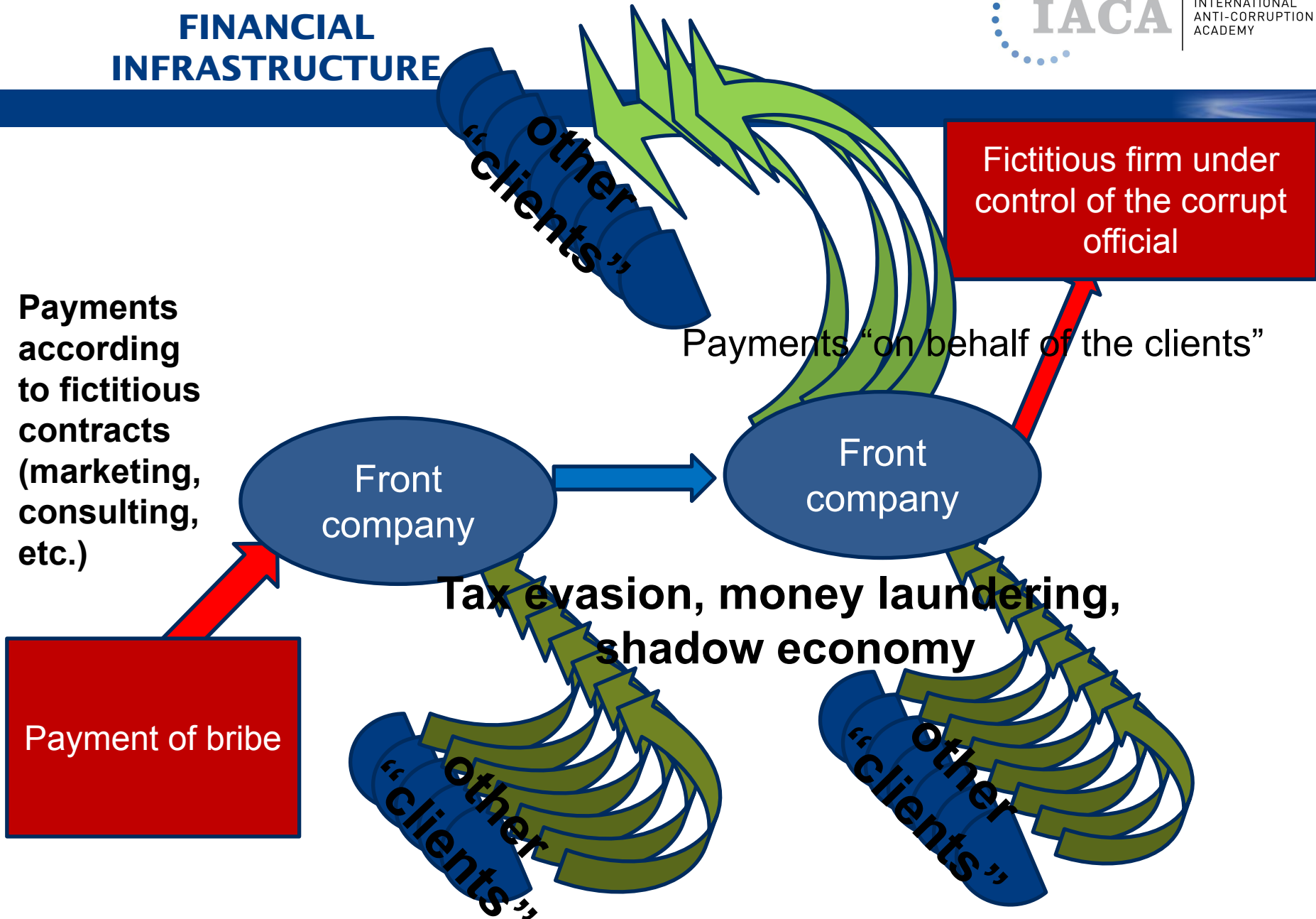


NEXUS BETWEEN FRAUD, CORRUPTION AND MONEY LAUNDERING

Fraud and Corruption

- Use of corruption to prepare and commit fraud crime
- Common schemes of fraud, corruption offences and following money laundering
- Use of the same shadow financial infrastructure for various criminal purposes such as fraud, money laundering, terrorism financing and corruption
- Corruption enables the successful functioning of the shadow financial infrastructure
- Fraudsters and corrupt officials need to legalize their criminal proceeds
- Planning fraud and corruption offences in parallel with following money laundering

USE OF THE SHADOW FINANCIAL INFRASTRUCTURE



COMPLIANCE IN THE BUSINESS SECTOR

Anti-Corruption Compliance

- Anti-Bribery and Anti-Corruption – 94%
- Investigations and Whistleblowing – 82%
- Business Ethics – 79%
- Privacy and Data Protection – 79%
- Third Party Management – 67%
- Anti-Trust and Competition Law – 64%
- Trade Compliance (sanctions and export control) – 63%
- Discrimination and Harassment – 56%
- Human Rights – 38%
- Environment – 35%

(Nordic Ethics and Compliance Survey, 2021. Available at:
<https://www.nordicbusinessethics.com/nordic-ethics-compliance-survey-2021/>)

ANTI-CORRUPTION COMPLIANCE AND THE PROTECTION OF EUROPEAN FUNDS

Anti-Corruption Compliance

- Promoting ethics and values
- Compliance check in the hiring process
- Conflict of interest management
- Third party due diligence and risk management
- Identification of suspicious transactions
- Reporting channels and protection of whistleblowers
- Internal investigations and cooperation with law enforcement authorities
- Protection of the general compliance and anti-fraud functions from corruption

BENEFITS FOR GOVERNMENTS

Anti-Corruption Compliance

- Prevention of fraud and corruption
- Compliance officers are contact points for supervisory and law enforcement authorities
- Support of criminal investigations

AML/CFT AND ANTI-CORRUPTION COMPLIANCE: THE REGULATORY LANDSCAPE



The Regulatory Landscape

AML/CFT Compliance	Anti-Corruption Compliance
<ul style="list-style-type: none">• International law (Conventions and the FATF Standards)• European law• Detailed requirements in domestic laws• Regulations and guidelines• Significant role of supervisory authorities	<ul style="list-style-type: none">• More than 40 non-binding international standards and guidelines• Impact of anti-corruption laws that have an extra-territorial reach (FCPA, UKBA, Sapin II)• Compliance programmes of multinational enterprises

STANDARDS AND GUIDELINES

The Regulatory Landscape

https://www.iaca.int/media/attachments/2022/08/01/overview-of-anti-corr-uption-compliance-standards-and-guidelines-practical-tool-2nd-edition_with_covers.pdf



THE RECENT INITIATIVES IN ANTI-CORRUPTION COMPLIANCE

The Regulatory Landscape

- New U.S. Anti-Corruption Strategy of 2021, promoting partnership with the private sector
- Mandatory anti - corruption compliance in state-owned enterprises in Kazakhstan since 2022
- Discussions on mandatory anti-corruption compliance in Brazil and South Africa
- Advisory and supervisory functions of the French Anti-Corruption Agency

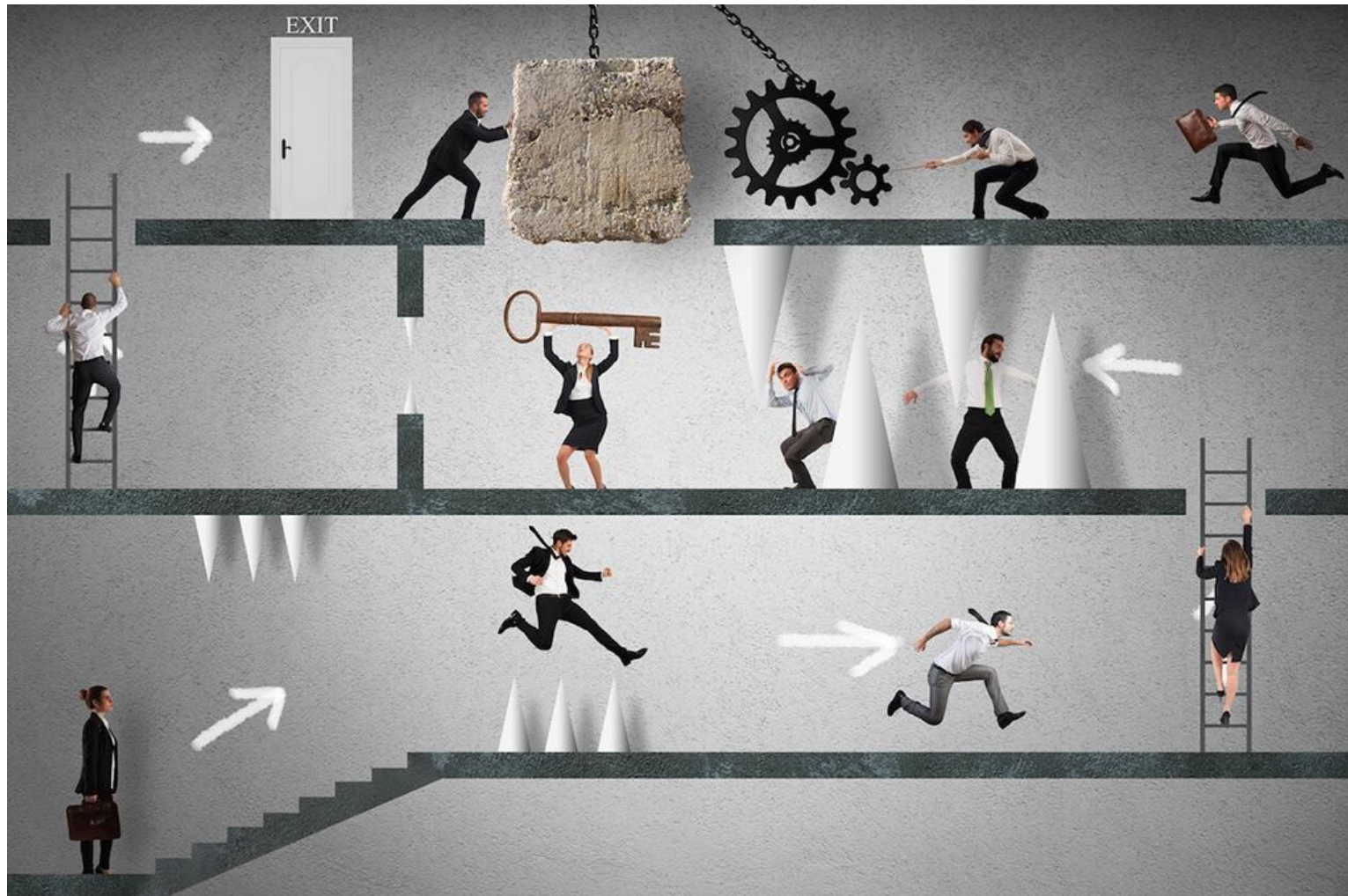
MODERN TRENDS IN ANTI-CORRUPTION COMPLIANCE

Anti-Corruption Compliance Programme

- Growing role of ethics and values
- Digitalization of compliance function
- Use of big data analytics
- Implementation of AI

OBSTACLES TO THE MAINTAINING AN ANTI-CORRUPTION COMPLIANCE PROGRAMME

Anti-Corruption Compliance Programme



OBSTACLES TO THE MAINTAINING AN ANTI-CORRUPTION COMPLIANCE PROGRAMME

Anti-Corruption Compliance Programme

- Challenges in localizing the compliance programme
- Lack of guidelines in some jurisdictions
- Lack of data
- Lack of a standardized approach and limited access to information on UBOs in some jurisdictions
- Different lists of PEPs
- Analysis of transactions with cryptoassets

**Thank you for
your attention!**