

nara – The Association of Property and Fixed Charge Receivers

Anti-Bribery and Corruption Policy

Policy statement of zero tolerance

At nara we are committed to conducting all of our business in an honest and ethical manner.

We take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if we are found to have taken part in corruption we could face an unlimited fine and face damage to our reputation. We therefore take our legal responsibilities very seriously.

This policy sets out what is and is not acceptable: please take time to read, understand and comply with it.

If you are ever in any doubt as to whether any conduct could amount to bribery, the matter should be referred to **the Compliance Officer**, Julian Healey, on 07711 241847 (Julian.healey@nara.org.uk).

Dated: 1 July 2017

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1 Policy statement

1.1 The purpose of this policy is to:

1.1.1 set out our responsibilities, and of those acting on our behalf, in observing and upholding our position on bribery and corruption; and

1.1.2 provide information and guidance to those acting on our behalf on how to recognise and deal with bribery and corruption issues.

1.2 Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if we are found to have taken part in corruption we could face an unlimited fine and face damage to our reputation. We therefore take our legal responsibilities very seriously.

1.3 In this policy, **third party** means any individual or organisation you come into contact with during the course of your work for us and includes actual and potential business contacts, agents, consultants, advisers, borrowers, mortgagees, lenders, creditors and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

2 Who is covered by the policy?

2.1 This policy applies to anyone who is working for us and/or conducting business for or on behalf of nara. This includes directors and employees of nara, and may include, for example, Council members and association members (collectively referred to as **Business Partners** in this policy).

2.2 This policy does not apply to nara members when conducting business which is not for on or behalf of nara such as, for example, when undertaking a receivership on their own behalf.

3 What is bribery?

3.1 A bribe, in general terms, is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage: it does not just concern cash payment or any other type of monetary payment.

Examples:

Offering a bribe

You offer a lender (or anyone associated or connected with a lender) tickets to a major sporting event, but only if they agree to appoint you as a receiver or do other business with you / nara.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence if the offer has been made to obtain business for us. It may also be an offence for the lender to accept your offer.

Receiving a bribe

A borrower gives your son a job, but makes it clear that in return they expect you to use your influence to prevent the sale of their property.

It is an offence for a client to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

4 **Due diligence checks**

- 4.1 Due diligence checks should be carried out on **all** persons who will perform services for or on behalf of nara (so called "**Associated Persons**"). This may include, for example, members, lenders and contractors. You should contact **the Compliance Officer** if you have any doubts as to whether or not someone is an Associated Person.
- 4.2 The level of due diligence to be undertaken into business relationships will vary according to the level of risk. The higher you assess the risk, the more checks that will need to be done. Where you consider the risk to be low, you might simply make local enquiries and research an individual's background to confirm that there are no issues that cause concern. Where the perceived risk is higher, it will be appropriate to request more detailed information and references.

5 **Gifts and hospitality**

- 5.1 All gifts, hospitality and promotional expenditure given to, or received from, **third parties** in accordance with this policy with a value in excess of £50 must receive prior approval from **the Compliance Officer** before either being given or accepted. All such gifts, hospitality and promotional expenditure must also be recorded in the Gifts and Hospitality Register.

Hospitality and promotional expenditure

- 5.2 This policy does not prohibit normal, reasonable and proportionate hospitality or promotional expenditure given to, or received from, **third parties** where there is no criminal intent.

Gifts

- 5.3 The giving or receipt of gifts is not prohibited, if the following requirements are met:
- 5.3.1 it is not made with the intention of influencing a **third party** to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
 - 5.3.2 it complies with local law;
 - 5.3.3 it is given in our name, not in your name;
 - 5.3.4 it does not include cash or a cash equivalent (such as gift certificates or vouchers);
 - 5.3.5 it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time;
 - 5.3.6 taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
 - 5.3.7 it is given openly, not secretly; and

- 5.3.8 gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of **the Compliance Officer** (subject to 5.1 above).
- 5.4 The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.
- 6 **What is not acceptable?**
- 6.1 It is **not** acceptable for you (or someone on your behalf) to:
- 6.1.1 give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- 6.1.2 give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- 6.1.3 accept payment from a **third party** that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- 6.1.4 accept a gift or hospitality from a **third party** if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- 6.1.5 threaten or retaliate against another **Business Partner** who has refused to commit a bribery offence or who has raised concerns under this policy; or
- 6.1.6 engage in any activity that might lead to a breach of this policy.
- 7 **Facilitation payments and "kickbacks"**
- 7.1 We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions.
- 7.2 If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with **the Compliance Officer**.
- 7.3 Kickbacks are typically payments made in return for a business favour or advantage. All **Business Partners** must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.
- 8 **Donations**
- 8.1 We do **not** make contributions to political parties and charitable donations.
- 9 **Your responsibilities**
- 9.1 You must ensure that you read, understand and comply with this policy.
- 9.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All **Business Partners** are required to avoid any activity that might lead to, or suggest, a breach of this policy.

9.3 You must notify **the Compliance Officer** as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. Further "red flags" that may indicate bribery or corruption are set out in the Schedule.

9.4 Any member who breaches this policy will face disciplinary action and possibly removal from the association and criminal sanctions.

10 **How to raise a concern**

10.1 You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with **the Compliance Officer**.

11 **Record-keeping**

11.1 We must keep financial records and have appropriate controls in place which will evidence the reason for making payments to **third parties**.

11.2 You must declare and keep a written record of any hospitality, promotional expenditure or gifts accepted or offered, which will be subject to review by the association.

11.3 You must ensure any expenses claims relating to hospitality, gifts or expenses incurred to **third parties** are submitted in accordance with nara's expenses policy and specifically record the reason for the expenditure.

11.4 All accounts, invoices, memoranda and other documents and records relating to dealings with **third parties**, such as borrowers and creditors, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments or activity.

12 **What to do if you are a victim of bribery or corruption**

12.1 It is important that you tell **the Compliance Officer** as soon as possible if you are offered a bribe by a **third party**, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

13 **Protection**

13.1 **Business Partners** who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

13.2 We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform **the Compliance Officer** immediately.

14 **Communication**

14.1 Our zero-tolerance approach to bribery and corruption should be communicated to all **Business Partners** at the outset of our relationship with them and as appropriate thereafter.

15 **Who is responsible for the policy?**

- 15.1 The board of directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it. The director with specific responsibility is the nara chairman.
- 15.2 **The Compliance Officer** has primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation.

16 **Monitoring and review**

- 16.1 **The Compliance Officer** will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible.
- 16.2 All **Business Partners** are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 16.3 **Business Partners** are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to **the Compliance Officer**.

Schedule 1

Potential risk scenarios: "red flags"

- 1 The following is a list of possible red flags that may arise and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.
- 2 If you encounter any of these red flags while working for us, you must report them promptly to **the Compliance Officer**.
 - 2.1 you become aware that a **third party** engages in, or has been accused of engaging in, improper business practices;
 - 2.2 you learn that a **third party** has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
 - 2.3 a **third party** insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
 - 2.4 a **third party** requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
 - 2.5 a **third party** requests that payment is made to a country or geographic location different from where the **third party** resides or conducts business;
 - 2.6 a **third party** requests an unexpected additional fee or commission to "facilitate" a service;
 - 2.7 a **third party** demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
 - 2.8 a **third party** requests that a payment is made to "overlook" potential legal violations;
 - 2.9 a **third party** requests that you provide employment or some other advantage to a friend or relative;
 - 2.10 you receive an invoice from a **third party** that appears to be non-standard or customised;
 - 2.11 a **third party** insists on the use of side letters or refuses to put terms agreed in writing;
 - 2.12 you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
 - 2.13 a **third party** requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; and
 - 2.14 you are offered an unusually generous gift or offered lavish hospitality by a **third party**.