



**World Bank**  
**Department of Institutional Integrity (INT)**  
**Voluntary Disclosure Program (VDP)**



## **VDP PROTOCOL 7**

### **Participant Prepares a Compliance Program**

Within 60 days following the Date of Effectiveness of the VDP Terms & Conditions, the party participating in the VDP (the participant) submits to its VDP Primary Contact its then-current corporate ethics and compliance program and its internal controls (the Compliance Program).

#### **I. REVISING AND IMPROVING THE COMPLIANCE PROGRAM**

- A.** The participant revises and improves its Compliance Program, as necessary, based upon:
  - 1. The results of its Internal Investigation, and
  - 2. The recommendations made by the World Bank.
- B.** The participant notifies its Primary Contact of all changes and revisions to its Compliance Program.

#### **II. GUIDANCE IN REVISING AND IMPROVING THE COMPLIANCE PROGRAM**

Guidance for revising and improving the Compliance Program will come from best-practice ethics and compliance measures published by Transparency International (TI), the International Chamber of Commerce (ICC), the World Economic Forum (WEF), and other widely recognized anticorruption entities. Measures may include:

- A. Sanctionable Misconduct** – Measures prohibiting, at all times and in any form, whether direct or indirect, including through agents and other intermediaries, misconduct as defined by the World Bank Sanctioning Body, including, but not limited to:
  - 1. Corrupt payments to:
    - a.) a public official, at national, local or international level;
    - b.) a political party, party official or candidate; and
    - c.) a director, officer, employee or agent of an organization taking or reviewing procurement decisions
    - d.) in order to obtain or retain a business or other improper advantage, e.g., in connection with regulatory permits, taxation, customs, judicial and legislative proceedings;
  - 2. Kickbacks of any portion of a contract payment to government officials or to employees of the other contracting party;

3. Coercion including extortion or solicitation of a bribe, whether or not coupled with a threat if the demand is refused;
4. Collusion schemes including bid-rigging and other measures to illegally influence bidding and procurement processes;
5. Fraud; and
6. Utilizing intermediaries such as agents, subcontractors, consultants or other third parties, to channel payments to government officials, or to employees of the other contracting party, their relatives, friends or business associates.

**B. Agents and Other Intermediaries** – Measures which ensure that a participant's Compliance Program is known to all agents and other intermediaries and make it clear that the participant expects all activities carried out on its behalf to be compliant with its policy, including:

1. Any payment made to any agent represents no more than an appropriate remuneration for legitimate services rendered by such agent;
2. No part of any such payment is passed on by the agent as a bribe or otherwise in contravention of its Compliance Program;
3. Agents agree explicitly not to pay bribes. The firm shall include in its contracts provisions to terminate agreements with agents if a bribe is paid;
4. The firm maintains a record of the names, terms of employment and payments to all agents who are retained by them in connection with transactions with public bodies, state or private enterprises. This record should be available for inspection by auditors and by appropriate, duly authorized governmental authorities under conditions of confidentiality.

**C. Joint Ventures and Outsourcing Agreements** - Measures within a participant's power to ensure that anti-bribery provisions consistent with its Compliance Program are accepted by joint-venture partners as applicable to the joint venture and by parties to outsourcing agreements.

**D. Political and Charitable Contributions and Sponsorships** - Measures to ensure that:

1. A participant makes contributions to political parties, party officials and candidates only in accordance with applicable laws, and that all requirements for public disclosure are fully complied with. The amount and timing of political contributions should be reviewed to ensure that they are not used as a subterfuge for bribery;
2. A participant's charitable contributions and sponsorships are not used as a subterfuge for bribery. Charitable contributions and sponsorships should be transparent and in accordance with applicable law; and
3. Improper political and charitable contributions are not made. Special care should be exercised in reviewing contributions to organizations in which prominent political figures, or their relatives, friends, and business associates are involved.

**E. Gifts, Hospitality and Expenses** - Measures covering the offer or receipt of gifts, hospitality, or expenses in order to ensure that such arrangements:

1. Are limited to reasonable and bona fide expenditures, and
2. Do not improperly affect, or might be deemed to improperly affect, the outcome of a procurement or other business transaction.

**F. Corrupt Payments** - Measures to ensure that a participant will not make corrupt payments.

**G. Corporate Policies**- Measures to:

1. Provide guidance and training in identifying and avoiding bribery or extortion in the participant's daily business dealings;
2. Offer confidential channels to raise concerns, seek advice, or report violations without having to fear retaliation;
3. Include disciplinary procedures to sanction misconduct; and
4. Apply to all controlled subsidiaries, foreign and domestic.

**H. Financial Recording and Auditing** – Measures to ensure that:

1. All financial transactions are properly and fairly recorded in appropriate books of account available for inspection by boards of directors, if applicable, or a corresponding body, as well as auditors;
2. There are no “off the books” or secret accounts, nor may any documents be issued which do not properly and fairly record the transactions to which they relate;
3. All necessary measures have been taken to establish independent systems of auditing, whether through internal or external auditors, in order to bring to light any transactions which contravene the Compliance Program. Appropriate corrective action must be taken should such transactions come to light; and
4. The participant complies with all provisions of national tax laws and regulations, including those prohibiting the deduction of any form of bribe payment from taxable income.

**I. Responsibilities** – Measures to ensure that the board of directors, or other body with ultimate responsibility for the participant, has established reasonable steps to:

1. Establish and maintain proper systems of control and reporting procedures, including independent auditing;
2. Sanction violations and take appropriate corrective action for violations of the participant's Compliance Program; and
3. Make appropriate public disclosure of the enforcement of the participant's anti-corruption policies and measures.