

## **Anti-Corruption Charter of the Russian Business**

The Russian business community sees its mission in complying with high standards of doing business that conform to internationally recognized norms and in building a responsible partnership with the Government aimed at improving the living standards of Russian citizens, developing the national economy and making it more competitive.

Successful implementation of these objectives is hindered by corrupt practices deeply rooted in the economic and social fields significantly impairing competition and affecting the entrepreneurial environment.

We, representatives of the business community of the Russian Federation, being aware of our responsibility for our country's destiny and realizing that success in business is impossible without a universal consensus on rejecting any form of corruption, are committed to promoting the principles of preventing and counteracting corruption – both in dealing with government authorities and in corporate relationships.

We, Parties to this Charter, shall make every effort to ensure that corrupt practices, regardless of their forms or methods, are not only punished by law but also condemned by general public and rejected as a dangerous social evil.

We all share the understanding that corruption, being a form of obtaining illegal advantages, benefits or personal wealth, seriously undermines democratic institutions, national economy and rule of law;

deprives society of resources needed for development, taking a significant portion of national wealth out of legal business turnover;

generates threats to and limitations for a stable and safe development of society, erodes moral foundations and values and hampers fair competition and sustainable development;

creates conditions for proliferation of other forms of crime, including laundering proceeds of crime;

represents a transnational phenomenon rather than a local problem, that determines the critical importance of international cooperation in preventing and combating corruption.

By signing this Charter, we declare and undertake to observe and promote the following basic principles of preventing and countering corruption.

## **1. Corporate Governance Based on Anti-Corruption Programs**

A basic condition for countering corruption is the introduction of anti-corruption programs and other anti-corruption corporate policy measures into corporate governance practices.

Corporate programs and other internal corporate documents shall clearly and precisely set forth principles, rules and procedures aimed at preventing corruption in all fields of corporate activities, including business ethics, special management procedures, personnel training requirements, special anti-corruption supervision and audit rules, conflict of interest and commercial bribery prevention procedures, donation, sponsorship, and charity rules, etc.

Companies shall develop anti-corruption measures taking into account specific features of their activities and such factors as a company size, its line of business, aggregate risks, geographical scope of activities, current situation and corporate culture characteristics.

Companies shall use internal tools and procedures that allow to improve anti-corruption programs, such as feedback mechanisms, conflict of interest prevention and resolution, and grievance examination mechanisms.

## **2. Monitoring and Evaluation of Anti-Corruption Program Implementation**

Corporate management bodies, both sole-executive and collegiate, including boards of directors, shall manage the development and monitor the implementation of corporate anti-corruption policies and designate officers in charge of implementation thereof.

Corporate executives should demonstrate responsible behavior to be followed by their employees, provide the necessary assistance to senior managers and other corporate officers in effective fulfillment of requirements of anti-corruption programs and ensure improvement of such programs taking into account the effectiveness of their implementation.

Program implementation shall be monitored and evaluated in accordance with a company management structure, with the participation of internal supervision and audit bodies. Results of the anti-corruption program implementation shall be reflected in corporate social reporting.

### **3. Effective Financial Control**

Companies shall establish and maintain effective internal control, which includes organizational tools for auditing book-keeping and accounting practices, human resource management and other activities covered by anti-corruption programs, and shall regularly review internal control systems to ensure their compliance with anti-corruption program requirements.

Companies shall supervise the accuracy of financial transactions by duly documenting them and take action to prevent, inter alia:

- generation of off-the-books (double) accounts;
- making of off-the-books or inaccurately accounted transactions;
- recording of non-existent expenses;
- entry of liabilities with incorrect identification of their objects;
- intentional destruction of accounting and other documents earlier than foreseen by law.

### **4. Personnel Training and Supervision**

Based on anti-corruption programs, companies shall provide training of their personnel and ensure their active involvement in the implementation of such programs. Training programs shall be developed with due regard for the trainees' objectives and job functions and shall be regularly revised to enhance their effectiveness.

Companies shall take measures to ensure compliance by their employees with the requirements of anti-corruption programs and shall guarantee that none of their employees will suffer in terms of career-development or financial harm if they reject corrupt practices, even if such rejection leads to financial damages for the company. Violation of anti-corruption requirements shall be punishable by disciplinary actions, up to and including discharge of perpetrators, subject to compliance with labor and corporate laws.

The results of the implementation of anti-corruption programs shall be integrated in the corporate human resource policy.

## **5. Collective Efforts and Publicity of Anti-Corruption Measures**

Companies shall publicly announce their anti-corruption policies and apply effective mechanisms to communicate anti-corruption program information within the company.

Companies shall create an environment that enables their employees and other persons to freely identify program defects and to promptly report suspicious circumstances to officers in charge.

In support of this principle, companies shall create secure and accessible communication channels to be used by company employees and other persons to identify program defects and report suspicious circumstances confidentially and without fear of being punished.

## **6. Rejection of Illegally Obtained Benefits**

Companies shall pursue responsible policies to promote their interests in order to strengthen their market positions.

Companies shall develop and apply supervision rules (including expense ceilings and reporting procedures) to ensure compliance with anti-corruption program requirements both with respect to third parties and to their own employees responsible for making management decisions.

Such rules shall envisage rejection of offering or accepting gifts or paying expenses when such actions may influence (or appear to influence) the results of a business transaction, a tender, or a decision of a government authority or public official. In other cases, companies shall strictly adhere to their own procedures for giving or accepting gifts, showing hospitality and paying for services, based on the principles of transparency, good faith, prudence and acceptability of such actions.

Any donations and sponsorship contributions made by companies shall be fully transparent and consistent with existing laws. Companies shall see to it that their donations and sponsorship contributions shall not be a hidden form of bribery.

## **7. Partner and Counterparty Relationships Based on Anti-Corruption Policy Principles**

Companies shall strive to build their relationships with affiliates, partners and third parties in compliance with anti-corruption principles,

shall inform all stakeholders about their anti-corruption policy and implement it in their organizational units and affiliates.

When assessing the due diligence of their partners and counterparties, companies shall take into account their degree of rejection of corrupt practices in doing business, including the existence and implementation of anti-corruption programs. In this respect, compliance with anti-corruption principles shall be deemed as an important factor for establishing contractual relationships, including the option to duly terminate contractual relationships in case of violation of anti-corruption principles.

In cooperating with partners and counterparties, wherever possible, companies shall monitor the soundness and proportionality of fees paid to agents, advisors and other intermediaries, as well as the adequacy of such fees to the services actually and legally provided and the conformity to the established legal payment procedures.

It shall be unacceptable for a company that pursues an anti-corruption policy to promise, offer, give or accept, any undue benefit or advantage, whether directly or through an intermediary, to any executive, officer or employee of another company for any action or omission in violation of the established duties.

## **8. Transparent and Open Procurement Procedures**

Companies shall procure goods, works and services on the basis of transparent, competitive and objective decision-making principles, and in so doing they shall:

- publicly distribute information relating to procurement procedures and contracts, including information on invitations to tenders and on the award of contracts, allowing potential tenderers sufficient time to prepare and submit their bids;
- publish tendering rules and establish, in advance, conditions for participation in tenders, including selection and decision-making criteria to award contracts;
- use open forms of tendering and other procurement procedures as a priority method to procure goods, works and services;
- establish a system of internal procurement control and use such legal mechanisms as administrative appeal, recourse and other remedies in case of non-compliance with procurement rules;

- take measures regarding personnel responsible for procurement, such as demanding them to declare a conflict of interest and monitoring compliance with professional training requirements, etc.

## **9. The Use of Information to Counter Corruption**

Companies shall encourage detection of information on unlawful or suspicious actions that might be considered as corruption and encourage efforts to search for, obtain and distribute such information about their own activities.

For these purposes, companies shall be ready to respond to requests, consider reports about facts of corrupt practices and ensure the investigation of such reports by independent officials.

Companies shall support efforts to inform business community, government authorities and the public about the facts of corrupt practices, to disclose companies and persons using corrupt schemes, and to create a zero-tolerance-for-corruption environment.

In some instances provided for by law, certain restrictions may be imposed, in particular, in order to:

- protect legitimate rights, reputations and personal data;
- ensure security and public order;
- protect business secrets and abide by a confidentiality regime.

## **10. Cooperation with the Government**

Companies shall follow the principle of mutual business and government responsibility, agreed and targeted joint actions against corruption and shall not permit unlawful interference in the government authorities' actions.

Important elements of cooperation include, inter alia:

- public promotion and protection of the principle that lawfully operating businesses are profitable and successful;
- active media coverage of businesses and entrepreneurs using anti-corruption practices;
- comprehensive support for and promotion of businesses' good practices in opposing attempted corruption pressures.

When the government authorities perform control and audit functions, companies shall assist them in creating conditions for non-biased inspections and shall not impede lawful actions of such authorities.

Companies are not allowed to use for their benefit improper forms of collaboration with representatives of government authorities, such as promising, offering or giving, directly or through intermediaries, any undue benefits or advantages.

### **11. Promotion of Justice and Respect for the Rule of Law**

For anti-corruption actions to be successful, they should be supported by effective law enforcement work, therefore the Parties to this Charter express their readiness to provide all-round support in detecting and investigating corrupt practices and hereby undertake to prevent:

- threats or promises, offers or giving of improper benefits to induce persons to give false evidence or interfere in giving evidence or testimony regarding corruption-related offenses;
- interference in the official duties of judicial or law enforcement officers in the course of proceedings in corruption-related offenses.

A possibility to legalize illegally acquired money represents a major driver of corruption, therefore the Parties to this Charter shall counteract attempted legalization of criminal proceeds, including:

- acquisition, possession, or use of assets that are known to be criminal proceeds;
- concealment or non-disclosure of the true nature, source, location, disposition, movement, owner of or rights to assets that are known to be criminal proceeds.

Financial companies shall provide for proper identification of clients, owners and beneficiaries and report suspicious transactions to competent authorities and perform other mandatory actions aimed at counteracting legalization of criminal proceeds.

### **12. Combating Bribery of Foreign Public Officials and Officials of International Public Organizations**

Companies shall abstain from promising, offering or giving any undue benefits to a foreign public official or an official of an international public organization, directly or through intermediaries, for this official or other natural or legal person, so that this official act or refrain from acting while exercising his/her official duties, in order to obtain or retain business or other improper advantage.

## Final Provisions

Provisions of this Charter are aimed at preventing and combating corruption and shall equally apply to self-employed entrepreneurs, any company or entity of any form of ownership, size, line of business, or location.

This Charter covers relationships both within business community and between businesses and government authorities.

Russian business and employer associations that are Parties to this Charter, recognizing the need for targeted and consistent efforts to promote this Charter among their members, shall encourage the development and implementation of best corporate practices, such as performance evaluation and reputation enhancement systems, including through corporate non-financial social reporting.

This Charter is open to accession by Russia's national, regional, or industry associations and by Russian and foreign companies operating in Russia. Companies may accede to this Charter directly or through associations of which they are members.

For the Chamber of Commerce and Industry of the Russian Federation	For the Russian Union of Industrialists and Entrepreneurs	For the All-Russian Public Organization “Delovaya Rossiya” (Business Russia)	For the All-Russian Public Organization of Small and Medium Business "OPORA Russia"
/signed/ S.N.Katyrin	/signed/ A.N.Shokhin	/signed/ A.S.Galushka	/signed/ S.R.Borisov



**Regulations  
on the Implementation of the Anti-Corruption Charter  
of the Russian Business**

(The Charter Road Map)

For the purposes of successful implementation of the Anti-Corruption Charter of the Russian Business, its founding sponsors, the Russian Union of Industrialists and Entrepreneurs (RUIE), the Chamber of Commerce and Industry of the Russian Federation (the CCI of Russia), the all-Russian Public Organization "Delovaya Rossiya" (Business Russia), and the all-Russian Public Organization of Small and Medium Business "OPORA Russia", hereby approve these Regulations on the conditions of and the procedure for accession to the Anti-Corruption Charter and the implementation of its provisions as an annex which constitutes an integral part of the Charter.

1. The Russian Union of Industrialists and Entrepreneurs, the Chamber of Commerce and Industry of the Russian Federation, "Business Russia", and "OPORA Russia" shall be deemed Parties to the Charter upon the signing thereof.

The Charter shall be open to accession by any business person or company, regardless of its form of ownership or incorporation, size, line of business, or location, and by associations or organizations whose purpose is to represent the interests of the business community. Self-employed entrepreneurs acceding to the Charter shall follow only the provisions that are applicable to their business activity.

A business association that accedes to the Charter shall make every effort to have its members implement the provisions thereof.

The decisions on the accession of new members to the Charter shall be made in accordance with the procedures set forth in their founding documents and may be submitted to any of the organizations that sponsored the Charter to be taken into account.

A consolidated Register of Parties to the Charter shall be kept by the RUIE, which shall draw together information on new Parties to the Charter provided by its other founding sponsors on a quarterly basis.

2. In order to create conditions in terms of organization, procedure and information that are necessary for the successful implementation of provisions of the Charter in business practice, the

founding sponsors shall form a Joint Committee (hereinafter referred to as the "Committee"), where each sponsor shall have two representatives.

At the initiative of a founding sponsor of the Charter and by the decision of the Committee, other persons may be appointed to the Committee.

The Committee shall take decisions on matters within its competence by consensus.

3. Each founding sponsor of the Charter shall appoint one of its representatives in the Committee as a Committee Co-Chairperson; therefore the Committee shall comprise four Co-Chairpersons, one from each of the founding sponsors of the Charter.

Co-Chairpersons shall manage the Committee's work, preside over Committee meetings, and set the agenda based on the proposals of the Committee members; co-Chairpersons shall rotate on a semi-annual basis.

Committee members who do not represent a founding sponsor of the Charter may not act as Committee Co-Chairpersons.

Committee meetings shall be organized by the entity keeping the consolidated Register of Parties to the Charter.

4. The Committee shall:

- develop recommendations to lay the organizational and methodological groundwork for the implementation of the Charter;
- prepare proposals on the application of measures of government support for corporate anti-corruption practices, including those based on annual reporting and corporate non-financial social reporting;
- set rules for posting data (up-to-date information on the Register, monitoring results, outcomes of dispute resolution, etc.) on a single website;
- decide whether or not to hold competitions, set the procedures for ranking companies, establish awards and other measures of reputation enhancement and encouragement, as well as rules for communicating information on the implementation of the Charter;
- review and summarize information on the implementation of the Charter and prepare proposals to expand the Charter;
- set the procedure and conditions of issuing certificates confirming public endorsement of the results of the implementation of the Charter by companies party thereto and approve the standard form of such Certificates;

- adopt Regulations on Maintaining the Consolidated Register of Parties to the Charter and monitor its maintenance;

- decide upon the recommendation of founding sponsors whether or not to issue a Certificate of Public Endorsement;

- decide upon the recommendation of founding sponsors whether or not to accredit to the Committee an expert center for the public endorsement of the implementation of the Charter by companies and entities (such centers may also be established under the organizations that sponsored the Charter);

- decide upon the recommendation of founding sponsors or the decision by bodies in charge of settling Charter-related disputes whether or not to suspend an entity that is party to the Charter from the Register for a year or exclude a company or an organization party to the Charter from the Register for the violation of its provisions.

5. Disputes related to violations of this Charter shall be examined by:

- the Joint Commission on Corporate Ethics under the RUIE;

- the Office for the Protection of the Rights of Entrepreneurs and Investors under the all-Russian Public Organization of Small and Medium Business "OPORA Russia";

- the Business Against Corruption Center of Public Procedures;

- the United Mediation Service under the RUIE;

- the Center of Mediation and Arbitration under the CCI of Russia;

and other bodies to be designated by the decision of the Committee.

Where necessary, the existing regulations of the above bodies may be supplemented by provisions aimed at promoting the implementation of the Charter, including additional grounds and sanctions.

6. Based on the uniform methodology approved by the Committee, each of the founding sponsors of the Charter may initiate public endorsement of the implementation of the Charter by parties thereto engaging for this purpose organizations accredited by the Committee.

Pursuant to a public endorsement statement, the Committee shall decide whether or not to issue a standard certificate valid for 5 years. Such certificate may be extended by the same procedure at the request of the interested party.

**For  
the  
Chamber of  
Commerce and  
Industry of the  
Russian Federati  
on**

**/signed/S.N.  
Katyryn**

**For  
the Russian  
Union of  
Industrialists  
and  
Entrepreneurs**

**/signed/  
A.N.Shokhin**

**For  
the all-  
Russian  
Public Organizati  
on  
"Delovaya  
Rossiya"  
(Business  
Russia)**

**/signed/A.S.  
Galushka**

**For  
the all-  
Russian Public  
Organization of  
Small and  
Medium Business  
"OPORA  
Russia"**

**/signed/  
S.R.Borisov**