

Saying no to bribery and corruption

New Zealand is committed to fighting bribery and corruption, both at home and abroad. While New Zealand consistently ranks among the least corrupt nations in the world – often topping the table on Transparency International’s corruption perceptions index – this does not mean New Zealand businesses can afford to be complacent in this area.

This factsheet includes information such as what businesses can do to help combat bribery and corruption and relevant New Zealand laws.

What is bribery and corruption?

Bribery and corruption can take various forms, including secret commissions, kickbacks and other forms of unlawful payments. Corruption also encompasses a number of offences such as fraud, abuse of one’s position of power and money laundering.

Examples include:

Bribery

- Offering a customs officer a payment for approving the import of a product produced by your company.
- A company in New Zealand paying a public official in another country a sum of money to fast-track an application to launch a product in that country.

Corruption

- A construction company (X Ltd) wants to bid on a contract for a building. A competing foreign company (Y Ltd) contacts X Ltd suggesting the companies ‘collaborate’. X Ltd agrees to make a bogus bid so that company Y Ltd is awarded the contract. Subsequently, Y Ltd pays X Ltd a percentage of the value of the successful bid.

What are warnings signs of corruption?

Some of the warning signs that your business has been exposed to corrupt activity include:

- abnormally high profit margins

- business arrangements that serve no apparent commercial purpose
- reimbursement requests for undefined costs relating to goods or services
- unusually high and unjustified commission payments
- apparent ‘special’ treatment.

What can your business do to minimise the risk of corruption?

New Zealand businesses, both at home and abroad, should implement anti-corruption policies and practices. Anti-corruption guidelines, training, internal audit procedures and reporting requirements can minimise risks. Some specific measures your business could implement may include:

- establishing an anti-corruption policy
- ensuring employees are familiar with relevant bribery and corruption laws and know what to do if they suspect corrupt activity
- ensuring commercial agents and partners who represent your business have adequate and valid credentials for the activities they undertake
- establishing monitoring and reporting requirements for your business agents and partners.

Several resources provide comprehensive information on anti-corruption policies and

procedures and a variety of practical tool for businesses:

- OECD Good Practice Guidance on Internal Controls, Ethics and Compliance (www.oecd.org/investment/anti-bribery/anti-briberyconvention/oecdantibriberyrecommendation2009.htm)
- OECD Guidelines for Multi National Enterprises (www.oecd.org/daf/inv/mne)
- The Business Anti-Corruption Portal (www.business-anti-corruption.com)

What protections are there for people who suspect and report corruption?

The law recognises that employees may be concerned they will suffer repercussions for reporting suspected corruption. The Protected Disclosures Act 2000 protects employees who disclose serious wrongdoing in their workplace. The Act protects both public and private sector employees from dismissal, harassment, and civil and criminal proceedings.

How to make a complaint

Any suspicion of a person or business being involved in bribery should be reported to the Serious Fraud Office or the New Zealand Police. The Office of the Ombudsman can also look into complaints about corrupt behaviour.

All international complaints should be made to the Serious Fraud Office or the New Zealand Police, or the local New Zealand Embassy or High Commission.

Serious Fraud Office

www.sfo.govt.nz/bribery-and-corruption
complaints@sfo.govt.nz
0800 109 800

New Zealand Police

www.crimestoppers-nz.org
0800 555 111

New Zealand Ministry of Foreign Affairs and Trade

www.mfat.govt.nz

Office of the Ombudsmen

www.ombudsman.parliament.nz
info@ombudsman.parliament.nz
0800 802 602

International commitments

New Zealand has signed the OECD Convention on Bribery of Foreign Public Officials in International Business Transactions, as well as the UN Convention Against Corruption. Both conventions require member countries to implement strong measures to combat bribery and corruption.

New Zealand laws to combat bribery and corruption

The Crimes Act 1961 makes it an offence to corruptly accept or obtain a bribe for something done (or not done) in an official capacity. Bribes may involve money, valuable consideration, employment or any other benefit. It is an offence to bribe judges, government ministers, members of Parliament, police officers and other public officials including foreign public officials. It is also an offence to corruptly use official information. Penalties for bribery include imprisonment for up to 14 years.

If someone from New Zealand bribes an official in another country, that person may be prosecuted in New Zealand. Bribery of foreign public officials in such cases carries a penalty of imprisonment of up to seven years.

The Secret Commissions Act 1910 covers bribery offences in the private sector. The Act criminalises the bribing of an agent (such as a real estate agent, securities broker or lawyer) to act in a certain way regarding their client's affairs or business. Other offences relating to a client's business or affairs are also outlined in the Act.

New Zealand law contains many other offences covering corruption-style crimes. These include money laundering (under the Crimes Act), and fraud (under the Serious Fraud Office Act 1990), as well as civil sanctions under the Securities Market Act 1978 relating to insider trading and market manipulation.

Additional information

Further information is available on the Ministry of Justice website:

www.justice.govt.nz/policy/criminal-justice/bribery-and-corruption