Second Preparatory Meeting
Berlin, April 19-21, 2016
Panel Debate (Session III) Good Governance as a basis for the fight against corruption, money laundering and the financing of terrorism
1.- Good Governance.-

- What can the private sector do?
- First get itself organized
- Corporate governance is not only establishing committees of the Board of Directors and appointing independent directors…
- Duty of the Board to ‘act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders’. (G20/OECD Principles of Good Governance, 2015, Principle VI A)

2.- High Ethical Standards.-

- ‘The Board should apply high ethical standards. It should take into account the interests of stakeholders’ (G20/OECD Principles of Good Governance, 2015, Principle VI C)
- The Board has to establish and review:
  - The risk policy/risk profile
  - The ethics and compliance code and program
  - The place of the ethics and compliance function in the corporation
  - Tone at the top
3.- Due diligence.

- In anti-money laundering, there is the KYC.
- In anti-corruption, there is **due diligence**, that is the thorough review of the technical, financial, legal, judicial and ethical profile of the candidate business partners.
- Due diligence required from all economic entities.
- Criminal law is the same for everybody but prevention duties have to be proportionate to the size and resources of the individual enterprise.

4.- What use for enterprises?

- Preventing partnering with the wrong businesses.
- Avoiding huge risks for the company.
- Protecting the company’s reputation.
- Establishing a corruption-free environment.
5.- What use for the public sector?

- Can the Ethics and Compliance program be a test for the suitability of companies bidding for public procurement?
- The public sector can also do its own due diligence
- Can it be used as a test not necessarily about the precise content of the provisions of the program but about the genuine character of the bidder’s ethical attitude
- If a company, asked to present its E&C program, is totally unable to show anything of significance, it may be considered as not complying with the basic societal expectations