

Annex I

State Measures for Strengthening Business Integrity

In line with a number of resolutions of the Conference of the States Parties to the United Nations Convention against Corruption (UNCAC), including, inter alia, resolutions 5/6, 6/5, 9/6 and 9/8, as well as the commitments made by States parties in the political declaration entitled “Our common commitment to effectively addressing challenges and implementing measures to prevent and combat corruption and strengthen international cooperation”, adopted by the General Assembly at its special session against corruption held in 2021, the secretariat is seeking information on good practices, practical examples and lessons learned by States parties on the engagement of the private sector and the use of sanctions and incentives to strengthen business integrity in the last decade. The answers provided by States parties will be used to update the 2013 UNODC publication “A Resource Guide on State Measures for Strengthening Corporate Integrity” ([English](#) - [Spanish](#) - [Russian](#)) and to develop an e-learning tool that will further support States parties’ efforts to strengthen business integrity.

The Resource Guide provides a catalogue of measures that States parties can adopt to promote business integrity and the reporting of corruption involving the private sector. The Resource Guide features three chapters: i) The United Nations Convention against Corruption and the private sector, which describes the articles of the Convention that frame State interaction with the private sector; ii) Engaging the private sector, which outlines the business case for countering corruption with an emphasis on governance and other factors that can drive business integrity; and iii) Using sanctions and incentives, which describes the range of sanctions and incentives that have been developed to prevent and address corruption involving the private sector.

The secretariat invites States parties to disseminate this questionnaire among relevant stakeholders, with a view to identifying internal measures adopted by private sector organizations to prevent and counter corruption. Respondents may choose to answer the whole questionnaire or only sections that are applicable and relevant to a State party. The secretariat would especially welcome the provision of illustrative examples.

Respondents’ contact details will be kept confidential, but submissions will be made public unless a State party requests otherwise. The secretariat may contact a respondent to seek additional information.

To facilitate the process of providing information, the Government may wish to complete the [online questionnaire](#) (English only). Alternatively, the Government may wish to submit the questionnaire to the secretariat by email to florian.lair@un.org and sabrina.dandrea@un.org at its earliest convenience but no later than **31 October 2022**.

Questionnaire

Chapter 1 – The United Nations Convention against Corruption (UNCAC) and the private sector

Background: It is important that States' legislative and other measures contain sufficient detail to inform the private sector of their requirements and scope of application. In line with the principle of legal certainty, it is important to have clear provisions outlining prohibited conducts and consequences to the private sector.

1(a) Please describe (cite or summarize) good practices and/or examples of measures taken by your country to promote business integrity and/or reporting of corruption in the private sector in line with the United Nations Convention against Corruption.

1(b) What challenges (if any) did you encounter in developing and/or enforcing such measures?

Guidance on 1(a) and 1(b): Measures could, for example, include policies and/or laws and regulations designed to achieve the following:

- Prevent bribery of national public officials, bribery of foreign public officials and officials of public international organizations, and bribery in the private sector
- Promote private sector transparency
- Promote cooperation between law enforcement agencies and private entities
- Promote cooperation between national authorities and private entities
- Prevent trading in influence
- Prevent conflicts of interest
- Prevent embezzlement of property in the private sector
- Promote the development of standards and procedures to safeguard the integrity of companies
- Ensure that companies have sufficient internal auditing and controls to assist in preventing and detecting acts of corruption
- Introduce or strengthen the liability of legal persons
- Promote public-private communication, cooperation and partnership (e.g., with business associations, networks, individual companies, small and medium-sized enterprises)

(a) The legislation on whistleblower protection was adopted by the Parliament and entered into force in February 2022. The legislation aims at transposing the EU Directive on whistleblower protection and at providing for supplementary protection to persons reporting acts of corruption both in the public and the private sectors, with sanctions reduced for individuals that cooperate with the police.

(b) The Independent Authority against Corruption as established by the relevant Law entered into force in March 2022 and became operational in July 2022, is responsible for transparency and prevention of corruption in both the public and private sectors. As it is designated as the Competent Authority for the coordination of the actions of public sector, broader public sector and private sector to prevent and combat corruption, has, inter alia, the following responsibilities and powers:

- Coordinates and supervises the actions of public sector, broader public sector and private sector in matters of prevention and combating acts of corruption
- Assesses whether the results of the actions of public sector, the broader public sector and private sector on the prevention and fight against acts of corruption are compatible with the expected and defined objectives on the basis of internationally recognized best practices and standards,

- prepares reports with opinions, suggestions and proposals, if it finds that there is a need to cooperate with the relevant professional associations for the proper implementation of the internal control mechanisms that apply in the private sector
- informs the private sector of internationally recognized best practices and standards for preventing and combating corruption
- Assesses the risks associated with corruption, sets assessment indicators and where necessary makes recommendations to the competent authorities.

(c) The Law on the transparency of lobbying entered into force in February 2022 creates a public register on lobbying activities, monitored by the newly established national Anticorruption Authority. Information on such contacts as well as its content and purposes, shall be officially recorded and be publicly available.

Chapter 2: Engaging the private sector

Background: Anti-corruption programmes, commonly referred to as compliance programmes, are a primary tool used by companies to advance ethical business practices. They provide a framework for articulating the values, policies and procedures used by a company to educate its employees and to prevent, detect and counter corruption in its business operations.

2(a) Please describe (cite or summarize) good practices and/or examples of measures taken by your country to promote integrity through anti-corruption programmes in the private sector.

2(b) Please describe (cite or summarize) good practices and/or examples of measures you have used to encourage transparency, public reporting and/or public participation through your anti-corruption programmes (both for the public and private sectors).

(a) The Council of Ministers launched a national integrity programme based on the International Organisation for Standardisation's (ISO) standard on anti-bribery management system. A EUR 2 million fund is made available to cover, at different percentages per type of entity, the costs required by public and private organisations to obtain the certification of the anti-bribery standard. The aim is to reduce phenomena of corruption and bribery, as the abovementioned standard sets requirements and provides guidelines for the creation, implementation, maintenance, review and improvement of an effective management system against corruption and bribery.

(b) (see also answer 1(b)(b) above.

(c) The establishment of the Independent Authority against Corruption provides the opportunity to the citizens of Cyprus to denounce or provide data or information, anonymously or not, against persons that may be involved in corruption offences.

(d) The Law on whistleblower's protection provides for the establishment of internal reporting channels

2(c) What was the impact of the measures described above (2a and 2b)?

Not yet visible

2(d) What challenges (if any) did you encounter in implementing the measures above (2a and 2b)?

Guidance on 2(a) and 2(b): Measures and good practices could, for example, include those designed to:

- Raise awareness of business integrity
- Encourage the private sector to establish anti-corruption policies, procedures and/or programmes
- Promote training and education on anti-corruption in the private sector
- Provide trainings or guidance, or develop model anti-corruption programmes or policies for companies to use and adapt
- Provide appropriate reporting channels
- Encourage public reporting of efforts to prevent and counter corruption in the private sector

Chapter 3: Using sanctions and incentives

Background: While effective sanctions for corruption offences are required under the United Nations Convention against Corruption, the Convention also recognizes the essential role of incentives that encourage and reward corporate self-reporting and preventive efforts.

Part A - Sanctions

3(a) Please describe (cite or summarize) good practices and/or examples of sanctions used to strengthen business integrity and/or reduce corruption in the private sector in your country.

(a) Convictions in corruption cases are now included in the criteria to be taken into account by the Attorney General of the Republic in his submissions to the President of the Republic for a pardon.

(b) The relevant article of the Criminal Code which provides for the offence of the abuse of power, when the offender was by his acts or omissions aiming at profiting has been amended by increasing the term of imprisonment from 3 years to 7 years.

(c) Amendment of the "United Nations Convention against Corruption Law of 2014. The amendment aims, inter alia, to increase the penalties provided for legal persons if convicted of corruption offences. Pending before Parliamentary Committee.

(d) Following a conviction for corruption offences from which illegal proceeds have been acquired by the convicted person, a confiscation order is issued against a convicted defendant requiring him to pay a sum of money. A further order by the Court is necessary to enforce a confiscation order unless the accused co-operates and pays the money voluntarily. In case the convicted person does not to pay the sum due under the confiscation order, the Court, for the purposes of enforcing the confiscation order, may appoint a Receiver to take into possession and/or realise frozen property for the purpose of satisfying the amount due. It should be noted that any kind of realizable property can be frozen for this purpose. "Realisable property" is defined as any property held by the accused (capturing thus, not only the proceed of crime per se but equivalent value property) and property held by a 3rd person which falls under the definition of a prohibited gift made by the accused to a third person or constitutes illegal transfer of property by the accused to a third person. The said Order has to be issued after the conviction and before the sentencing.

In case there are no victims involved, confiscated funds or received from the sale of assets pursuant to the enforcement of a confiscation order in favour of the Republic, are paid into the Budget of the Management of the Ministry of Finance under «Proceeds of Confiscation from Illegal Activities»

As concerns Legal persons, the national AML law and specifically the article that refers to the criminal offence of money laundering which is commonly linked to corruption offences, provides the following:

Article 4(3):“(a)Legal persons can be held liable for any of the offences referred to in paragraph (1) committed for their benefit by any person, acting either individually or as part of an organ of the legal person and having a leading position within the legal person, based on any of the following: (i) a power of representation of the legal person, (ii) an authority to take decisions on behalf of the legal person; or (iii) an authority to exercise control within the legal person.

(b) Legal persons can be held liable where the lack of supervision or control by a person referred to in subparagraph (a) of this Article has made possible the commission of any of the offences referred to in paragraph (1) for the benefit of that legal person by a person under its authority.

(c) Liability of legal persons under subparagraphs (a) and (b) shall not preclude criminal proceedings from being brought against natural persons who are perpetrators, inciters, or accessories in any of the offences referred to in paragraph (1).

Article 4(6): “In addition to the penalty provided for in paragraph (1), the Court may impose upon a legal person who is convicted of committing any of the offences referred to in paragraph (1) – (a) exclusion from entitlement to public benefits or aid; (b) temporary or permanent exclusion from access to public funding, including tender procedures, grants, and concessions; (c) temporary or permanent disqualification from the practice of commercial activities; (d) judicial winding-up; and (e) temporary or permanent closure of establishments which have been used for committing the offence.”

3(b) What were the main challenges (if any) your country faced in enforcing these sanctions?

3(c) What steps did you take to overcome those challenges (if any)?

Guidance on 3(a): Sanctions could, for example, include any of the following:

- Monetary sanctions for legal persons (companies) liable for the participation in an offence of corruption
- Incarceration or other criminal sanction of natural persons (individuals) who have committed an offence of corruption acting on behalf of a company
- Confiscation of proceeds of corruption for both companies and individuals who acted on their behalf
- Contract remedies and other means to communicate and enforce anti-corruption contractual provisions
- Suspension and/or debarment of contractual partners from government processes
- Denial of government benefits (fiscal or otherwise)
- Liability for damages and compensation of victims of corruption
- Reputational damages to hold wrongdoers publicly accountable
- Any other type of sanctions not listed above

Part B - Incentives

3(d) Please describe (cite or summarize) good practices and/or examples of incentives used to strengthen business integrity and/or reduce corruption in the private sector in your country.

3(e) What is the main impact of such incentives?

Guidance on 3(d): Incentives could, for example, include any of the following:

- Penalty mitigation – encourages self-reporting of offences, credits companies' preventive efforts
- Procurement preference – rewards good practice through procurement preference
- Preferential access to benefits – rewards good practice with preferential access to government benefits and/or services
- Reputational benefits – encourages good practice through public recognition
- Whistle-blower protection and awards – encourages reporting of potential violations by individuals
- Any other types of incentives not listed above

(a) see answer on whistleblowers protection Law which, inter alia, provides that for those who are involved in acts of corruption, but voluntarily report to the police and/or offer cooperation with the authorities resulting in the full investigation and prosecution of the case, the maximum penalty on conviction is half of the one provided for the offence.

Part C - Additional measures

3(f) Please describe (cite or summarize) good practices and/or examples of any other additional measures used to strengthen business integrity and/or reduce corruption in the private sector in your country.

Guidance on 3(f): Additional measures could, for example, include any of the following:

- Integrity pacts – written agreements between government agencies and companies to strengthen integrity in public procurement, usually overseen by an independent monitor
- Collective action – collaborative initiatives that bring companies and other relevant stakeholders together to prevent and counter corruption and raise standards of business integrity
- Public sector reform – civil service and/or regulatory reforms that reduce the opportunities for corruption
- Public education – activities that raise public awareness of corruption and its harmful effects

(a) Memoranda of Understanding between the State and several Cyprus Universities as well as a Youth Declaration Against Corruption that makes the young people participants in the fight against corruption have been prepared and will be signed promptly.

(b) Institutionalization of the mandatory internal mobility of human resources with rotation in positions of responsibility every reasonable period of time, so as to avoid the risk of developing phenomena of entanglement and corruption in public sector.

(c) Training and educational programs at all levels of education have been introduced aiming at recognizing, raising awareness, preventing and combating corruption.

Additional information

Is there any other information that you wish to share which has not been addressed by the previous questions?

(a) An anti-corruption taskforce was created under the competence of the Attorney General office, with specialised officers from relevant institutions (such as the National Law Office, the Anti-Money Laundering Unit, and the Police, in addition to ad-hoc experts from other entities)

(b) The Financial Crime Investigation Office of the Police has been further reorganised into two branches (namely the Financial Crime Branch and the Financial Investigations Branch) in order to facilitate the effective collection and investigation of information, processing of cases and confiscation of assets in financial crime cases.

(c) A scientific board that will propose measures, policies and will intervene in order to enhance the anti-corruption network has been established.