

ISO 37001: Anti-Bribery Management System

*A New Era in Anti-Bribery/Anti-Corruption ("ABAC")
Compliance*



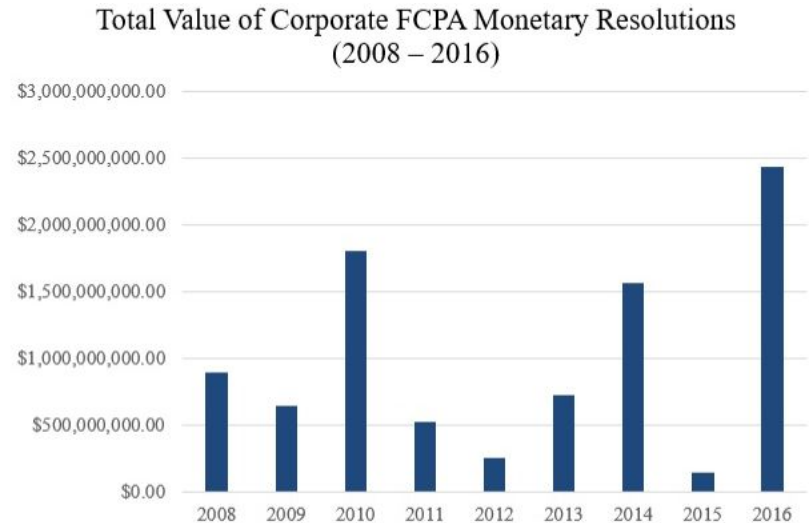
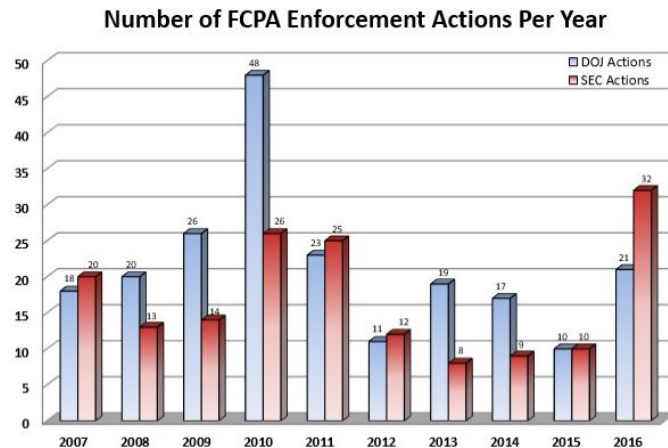
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The logo for Skadden, featuring the word "Skadden" in a white, serif font centered on a solid red rectangular background.

Skadden, Arps, Slate, Meagher & Flom LLP

Indicators show continued aggressive approach to FCPA and global enforcements with rewards for a strong ABAC compliance program

- 2016 was a banner year for FCPA penalties; blockbuster \$2 billion + in fines and 2016 contributed 4 of the historical FCPA Top 10 list



- self-disclosure pilot program will continue
- new administration confirmed anti-corruption campaign will stay the course
- recent release of DOJ's "Evaluation of Corporate Compliance Program" re-affirms importance of taking proactive measures

ISO 37001: Anti-Bribery Management System

ISO is a globally recognized authority that establishes standards across a wide range of industries.

ISO 37001 has been a closely monitored standard throughout its development and its publication opens up a new perspective on ABAC compliance:

- Published on **October 2016** after several years of development by 59 countries including China, India, Mexico, UK, and the US; included representatives from varying industries and backgrounds
- standard lays out a framework for establishing a strong anti-bribery program that is **reasonable** and **proportionate** according to the company's bribery risks
- Designed to be used by small, medium, and large organization in the public, private, and non-profit sectors
- 37001 moves beyond the US and UK-centric anti-corruption guidelines that are industry standards

ABAC Game Changer: first time ever, companies can certify their anti-bribery program under a global standard (37001)





Process for a Company to be 37001 Certified

- Outside firm performs a 37001 certification audit
- On-site audit will include a review of the company's ABAC policies and controls. Auditor will test the existence and effectiveness of the policies and controls mainly through interviews and observations.
- Audit varies in length of time and cost depending on complexity of company and ABAC program
- If company passes the audit, the certification is valid for three years and includes "surveillance audit" to be performed on an annual basis then full re-certification in year four in order to maintain the 37001 certificate.

Benefits for Companies Pursuing ISO 37001 Certification

Based on our experience, companies have realized the inherent compliance risks associated with conducting business overseas, especially within the BRIC countries (Brazil, Russia, India, and China) as well as other countries deemed high risk. From an anti-bribery perspective, a significant amount of resources and efforts have been spent by companies to mitigate these risks. Below are a few of the benefits companies may reap by adopting and certifying the ISO 37001 system.

Good Governance

Competitive Advantage

**Government
Enforcement Agencies**

Mitigate Risks