

# How to deal with facilitation payments?

## The NCPA Practical Guidelines for Businesses

Definition: Facilitation payments are hereafter understood as payments made to secure or expedite the performance of a routine governmental action to which the payer is in effect entitled. Qualified as a form of bribe in many countries, such payments are widely considered as detrimental to society, as they undermine the rule of law and fair competition. They expose businesses to legal, operational, and reputational risks. Businesses that resort to facilitation payments face higher costs related to repeated harassment and loss of credibility, while risking criminal prosecutions under both local and extra-territorial legislations.

- 1. Develop a corporate culture of integrity, where ethical values are clearly defined as fundamental and non-negotiable.** Employees should not be penalized for delays incurred as a result of refusing to make facilitation payments. Visible endorsement by senior management is essential to convey an unambiguous message to employees and business partners that relieve them of the pressure of paying a small bribe when requested.
- 2. Base your strategy to counter facilitation payments on a risk assessment approach.** Draw upon your employees' field knowledge to identify the areas most exposed to solicitations, designing controls to mitigate such risks. When developing your strategy, do not adopt a one-size-fits-all approach. Adapt your controls to specific local contexts, as appropriate. You may also involve your local business unit to better understand and manage the risks pertaining to a given environment.
- 3. Adopt a clear written policy committing your company to prohibit and eliminate facilitation payments.** Adequate resources should be allocated for the implementation of an effective anti-corruption program in line with international best standards. Senior management should be personally responsible for the design, deployment, and monitoring of the anti-corruption program, even when its implementation is entrusted to an employee. If so, the employee must report directly to senior management. Corruption prevention authorities may provide support in the identification of best practices.
- 4. Provide guidance and training to your employees** on how to detect, anticipate and resist demands, seek advice, and report concerns about facilitation payments in a timely manner. Tailored training and role-playing are a crucial means of bolstering employee awareness and confidence in a real-life

situation, especially when they are assigned to areas highly exposed to corruption risks.

- 5. Follow adequate procedures to ensure your third parties do not rely on facilitation payments.** This involves conducting due diligence, adding contractual requirements, providing trainings, carrying out monitoring, and, in the event of violations, applying sanctions.
- 6. Establish an internal reporting system,** with confidential and easily accessible channels to report misconduct. This system should include a clear whistleblower protection framework, containing robust safeguards against retaliation. According to your company's risk profile, you may provide employees with a number to call in the compliance department, of the parent company if appropriate, allowing them to report in real time any request for a payment and get an expert opinion.
- 7. Set up internal accounting controls specifically designed to counter facilitation payments.** Key features of internal controls include segregation of duties, procedural checks on payments with approval mechanisms, and internal audit. Avoid making cash payments, but when you do, provide safeguards with receipts that are clear and not scribbled to keep precise track of expenses. Ensure that all corporate transactions are recorded accurately and honestly, in particular those involving public officials. Failure to do so can expose your business to penalties by violating accounting provisions of laws that may otherwise permit facilitation payments.
- 8. Implement proper measures for managing incidents** if facilitation payments are detected, addressing any potential violation with due concern and consistency. This includes investigation and

review, disciplinary action, and consideration of reporting the incident to the relevant authorities. In particular, violations by senior employees should not be ignored while disciplining more junior ones. Steady application of your anti-corruption policy up to the highest management levels is indispensable to be credibly perceived by your staff and business partners.

- 9. Monitor the implementation of your program to counter facilitation payments,** regularly reviewing its effectiveness and seeking continuous improvement. You may report publicly on the monitoring procedure and key indicators to demonstrate your company's genuine commitment to fighting facilitation payments.
- 10. Act strategically to influence the corruption environment in which your company operates through collective action.** Accept responsibility for addressing entrenched factors that lead to demands for unethical payments by, for instance, working collaboratively and investing in communities. Cooperate with peer companies and other concerned stakeholders to jointly tackle shared problems of corruption, raise standards of business integrity, and level the playing field between competitors. In case of doubt, you may consult your local embassy, chamber of commerce, and corruption prevention authority.

#### References

Basel Institute on Governance, [Collective Action](#).  
French Anti-Corruption Agency (AFA), [Point sur la problématique des paiements de facilitation](#) & [Guidelines](#).  
OECD, [Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and Related Documents](#).  
TRACE, [The High Cost of Small Bribes](#).  
Transparency International UK, [Countering Small Bribes](#) & [Anti-Bribery Guidance, Chapter 8](#): Facilitation Payments.