

Bribery and corruption

Chapter 6

Bribery and corruption

6.1 Introduction

- 6.1.1** **G** **Who should read this chapter?** This chapter applies to all firms subject to the financial crime rules in **SYSC 3.2.6R** or **SYSC 6.1.1R** and to e-money institutions and payment institutions within our supervisory scope.
- 6.1.2** **G** Bribery, whether committed in the UK or abroad, is a criminal offence under the Bribery Act 2010, which consolidates and replaces previous anti-bribery and corruption legislation. The Act introduces a new offence for commercial organisations of failing to prevent bribery. It is a defence for firms charged with this offence to show that they had adequate bribery-prevention procedures in place. The Ministry of Justice has published guidance on adequate anti-bribery procedures.
- 6.1.3** **G** The *FCA* does not enforce or give guidance on the Bribery Act. But:
- firms which are subject to our rules **SYSC 3.2.6R** and **SYSC 6.1.1R** are under a separate, regulatory obligation to establish and maintain effective systems and controls to mitigate financial crime risk; and
 - e-money institutions and payment institutions must satisfy us that they have robust governance, effective risk procedures and adequate internal control mechanisms. See E-Money Reg 6 and Payment Service Reg 6.
- 6.1.4** **G** Financial crime risk includes the risk of corruption as well as bribery, and so is wider than the Bribery Act's scope. And we may take action against a firm with deficient anti-bribery and corruption systems and controls regardless of whether or not bribery or corruption has taken place. Principle 1 of our Principles for Business also requires authorised firms to conduct their business with integrity. See **PRIN 2.1.1R**: Principle 1.
- 6.1.5** **G** So while we do not prosecute breaches of the Bribery Act, we have a strong interest in the anti-corruption systems and controls of firms we supervise, which is distinct from the Bribery Act's provisions. Firms should take this into account when considering the adequacy of their anti-bribery and corruption systems and controls.