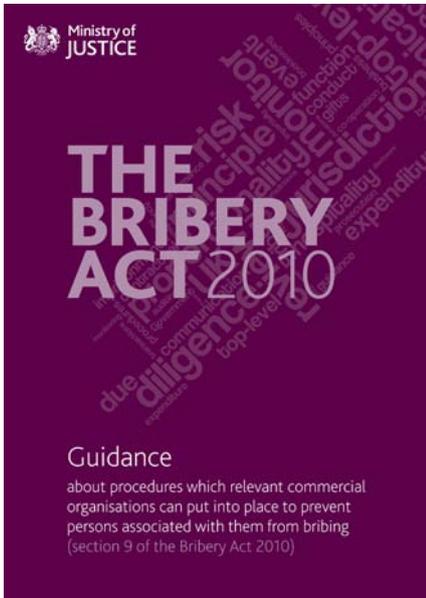




HM Government

Insight into awareness and impact of the Bribery Act 2010

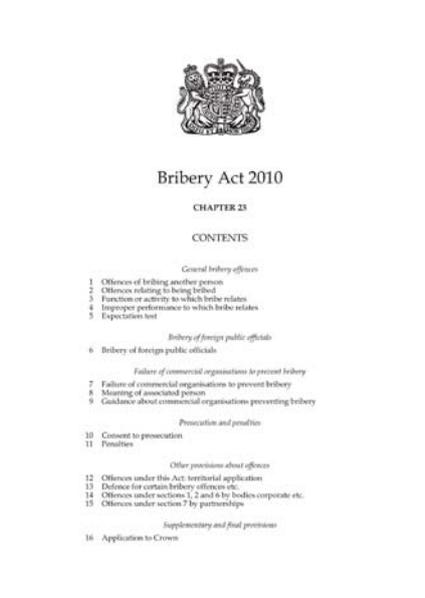
Among small and medium sized enterprises (SMEs)



Ministry of JUSTICE

THE BRIBERY ACT 2010

Guidance
about procedures which relevant commercial organisations can put into place to prevent persons associated with them from bribing (section 9 of the Bribery Act 2010)



Ministry of JUSTICE



Bribery Act 2010

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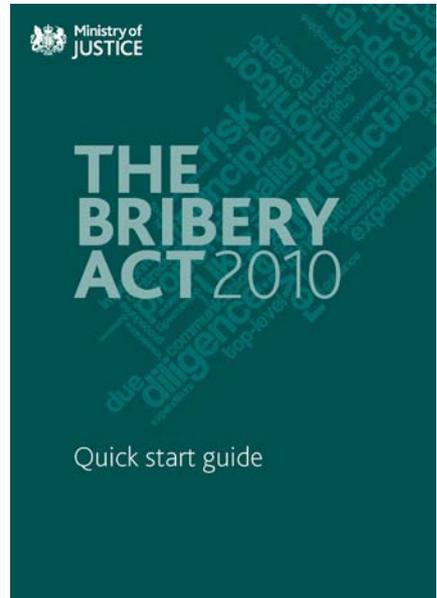
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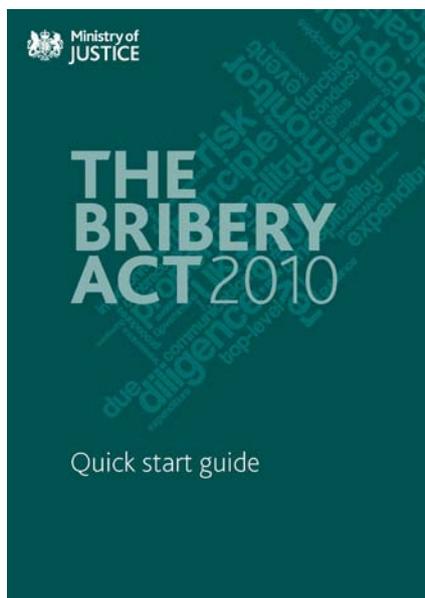
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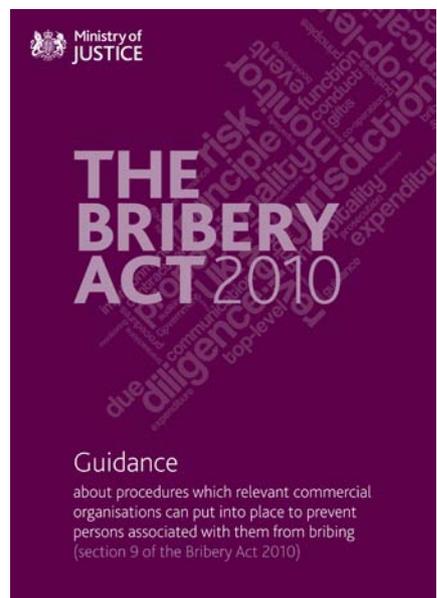
Quick start guide



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THE BRIBERY ACT 2010

Quick start guide



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THE BRIBERY ACT 2010

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about procedures which relevant commercial organisations can put into place to prevent persons associated with them from bribing (section 9 of the Bribery Act 2010)

Insight into awareness and impact of the Bribery Act 2010

Among small and medium sized enterprises (SMEs)

Prepared for BIS and MoJ by IFF Research Ltd.
Rob Warren, Alice Large and Mark Tweddle



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2 Insight into awareness and impact of the Bribery Act 2010: Among small and medium sized enterprises (SMEs)

Foreword



The Bribery Act 2010 came into force on 1 July 2011. Around the world it is now regarded as the legislative best practice standard and, along with the US Foreign Corrupt Practices Act (FCPA), is one of the two most significant legislative models for dealing with international bribery.

One of the principal policy objectives associated with the Bribery Act, and in particular the corporate failure to prevent bribery offence at section 7, is to influence behaviour and encourage bribery prevention as part of corporate good governance. The ‘adequate procedures’ defence to a charge under section 7 is intended to encourage companies to realistically assess the bribery risks they face and put in place proportionate procedures to mitigate them. This is not, however a question of legal compliance to create a corporate safe harbour. Tick box compliance will not do. The aim is to promote the establishment of a bribery prevention dynamic in which policies, procedures and strategies are embedded in all aspects of business management, administration, and operations.

In March 2011, three months before the Act commenced, the Ministry of Justice published guidance to assist businesses in deciding what bribery prevention procedures will be right for them based on six guiding principles. The principles reflected already well-established good governance concepts but emphasised the importance of taking a proportionate approach. Procedures should be proportionate not only to the level of bribery risk but also to the key characteristics of a businesses, such as its size, management structure and business model. What is ‘adequate’ for a large company facing moderate to high risks will far outstrip the bribery prevention needs of a small company facing low to moderate risks.

A vibrant and efficient exporting SME sector is an essential element of the Government’s growth strategy. It is vital therefore that SMEs do not, as result of misapprehension of their impact and purpose, seek a disproportionate, burdensome and costly response to the Act and the Ministry of Justice guidance. The Government became aware that this message may not be sufficiently percolating through the SME sector. As part of a professional and business service industrial strategy to facilitate growth in the sector, the Government commissioned, under the auspices of the Red Tape Challenge initiative this study.

The extent of knowledge and awareness evidenced by this report are encouraging, many businesses have assessed the bribery risks they face and taken steps to mitigate them. The research reveals that SMEs are generally taking a proportionate, pragmatic and low-cost approach to winning business without bribery. There is, however, no room for complacency. The report identifies the need for the Government in association with key stakeholders to continue the work in communicating the simple key messages about the Act and existing guidance.

A handwritten signature in black ink, appearing to read 'Mike Penning', written over a horizontal line.

Mike Penning MP

Minister of State for Policing, Crime, Criminal Justice and Victims

Executive Summary

Awareness of the Bribery Act

Two-thirds (66%) of the SMEs surveyed had either heard of the Bribery Act 2010 or were aware of its corporate liability for failure to prevent bribery. Awareness was greater among SMEs exporting to regions that are less developed,¹ including the Middle East, Asia, Africa and South and Central America (68%) compared to those companies only exporting to developed regions including Europe, North America and Australia (56%).

Around eight in ten SMEs (81%) that had heard of the Bribery Act were also aware that the Act has extra-territorial reach (i.e. it encompasses bribery offences committed overseas).

Of all SMEs that were aware of the Bribery Act, almost three-quarters (72%) perceived that their company had sufficient knowledge and understanding to be able to implement adequate anti-bribery procedures. This perceived knowledge and understanding was greatest among those SMEs that were aware of corporate liability for failure to prevent bribery (79%) compared to those that had only heard of the Act itself (45%).

Ministry of Justice guidance

Three-quarters (74%) of SMEs that were aware of the Bribery Act were not aware of the MoJ guidance published in March 2011 to help commercial organisations understand the procedures they can put in place to prevent persons associated with them from bribing. Of those SMEs that were aware of the MoJ guidance, three quarters (75%) had read the guidance and the majority of these (89%) reported that they found the guidance to be useful.

Other guidance and associated costs

A third (33%) of SMEs aware of the Bribery Act or its corporate liability for failure to prevent bribery provisions reported that they had used some form of guidance other than or in addition to reliance on the MoJ guidance. When asked what the guidance that they had used was, 21% of those using other guidance reported guidance from lawyers or solicitors, 15% used guidance from other business consultants, and 14% used guidance from trade or professional bodies.

SMEs were also asked if they had sought any professional advice about the Bribery Act or about bribery prevention. Around a quarter (24%) of SMEs who were aware of the Bribery Act or its corporate failure to prevent provisions had sought such advice, which was most commonly offered by legal professionals (54% of those seeking professional advice).

Almost all (96%) of SMEs that had sought professional advice found the advice that they received useful (58% very useful and 38% fairly useful) and good value for money (45% very good value for money and 45% fairly good value for money). The mean cost to SMEs of professional advice was around £3,740, the median cost was lower at £1,000.

¹ And riskier according to Corruption Perception Index (CPI).

Bribery prevention procedures

A third of SMEs (33%) had assessed the risk of being asked for bribes, leaving just under two-thirds that had not assessed the risk of being asked (59%).² SMEs exporting to the less developed export regions (36%) and in particular to China (52%) were more likely to have assessed the risk of being asked for bribes.

Around four in ten SMEs (42%) said that they had put bribery prevention procedures in place; defined as anything that they thought helped prevent bribery. Among SMEs that did have procedures in place, these procedures were most typically financial and commercial controls such as bookkeeping, auditing and approval of expenditure (94%) or a top level commitment that the company does not win business through bribery (88%). Just under half of those with procedures in place had written staff policy documents about bribery prevention which are signed by staff (48%) or raised awareness and provided training about the threats posed by bribery in the sector or areas in which the organisation operates (44%). Again, SMEs exporting to the less developed export regions (45%) and especially China (59%) were more likely to have bribery prevention procedures in place.

Of those that had bribery prevention procedures in place that incurred some cost, the mean spend so far on these was around £2,730; and the median spend £1,000. The median is much lower than the mean because there were a few companies quoting a very high expenditure, raising the mean. The average spend was clearly linked to company size with micro companies spending the least (mean spend of £1,030) and medium companies the most (mean spend of £4,610).

Small Scale Solicitation

Among the SMEs that exported only 6% reported that employees of their company or agents acting on the company's behalf had ever been asked for cash payments, gifts, donations or goods in kind such as cigarettes or alcohol that could possibly be described as a bribe. The most commonly mentioned country where this has been experienced was China (mentioned by nine SMEs), followed by Russia and Saudi Arabia (three SMEs each).

Impact on exports

The majority of SMEs aware of the Bribery Act (89%) felt that the Act had had no impact at all on their ability or plans to export. Furthermore, when prompted as to whether they had any other concerns or problems related to the Bribery Act, nine in ten (90%) reported they had no specific concerns or problems.

² The remaining 8% report 'don't know'.

Introduction

Background

Small and medium sized enterprises (SMEs) play a vital role in the UK economy. At the start of 2012, SMEs accounted for more than half of employment (59.1%) and almost half of turnover (48.8%) in the UK private sector. This contribution is increasing as whilst the number of larger private sector enterprises has decreased by 10% between 2000 and 2012, the number of SMEs has grown by 1.3 million in the same period.³ It is estimated that around 20% of UK SMEs export⁴ (with approximately 5% of all UK SMEs exporting outside of the EU).

Any export focussed business needs to ensure that it fully recognises the legal framework that operates in the global economy. A significant aspect of this is the international consensus to address the adverse impact of bribery in international business transactions. The Government is committed to ensuring that the UK makes a significant contribution to tackling corruption and the creation of a level playing field in international business. To this end the Government promotes the rule of law, and ethical business practices, and encourages bribery prevention as an integral part of corporate good governance. An important element of the United Kingdom's response to the threats posed by corruption is the Bribery Act 2010,⁵ which came into force in July 2011. The Ministry of Justice (MoJ) guidance⁶ on bribery prevention for businesses was published in March 2011. The Act modernised the UK criminal law on domestic and foreign bribery and created four broad offences:

- offering, promising or giving a bribe;
- requesting, agreeing to receive or accepting a bribe;
- bribery of foreign public officials;
- failure of commercial organisations to prevent bribery.

The last of these, set out at section 7 of the Act, is a new form of corporate liability. UK incorporated commercial organisations, wherever they carry on business, and foreign commercial organisations that carry on a business in the UK, are held criminally liable for offences committed by person associated with them in order to obtain or retain business or an advantage in the conduct of business, unless the organisation can show that it has adequate bribery prevention procedures in place.

This provision has very wide extra-territorial reach so that companies can be prosecuted for failing to prevent bribery offences committed anywhere in the world. The Act, and section 7 in particular, is regarded as world leading anti-bribery legislation and has prompted many companies, large and small, to assess the bribery risk they face and put in place bribery prevention procedures to mitigate them.

³ <http://www.publications.parliament.uk/pa/ld201213/ldselect/ldsmall/131/131.pdf>

⁴ <http://www.publications.parliament.uk/pa/ld201213/ldselect/ldsmall/131/131.pdf>

⁵ <http://www.legislation.gov.uk/ukpga/2010/23/contents>

⁶ <https://www.gov.uk/government/publications/bribery-act-2010-guidance>

The MoJ guidance makes it clear that the adequate procedures defence is founded upon the notion of proportionality. Adequate procedures need to be proportionate to the risks faced and to the key characteristics of the business, e.g. its size, corporate structure, business model, and management structure. Concerns have been raised that the competitiveness of UK companies, and SMEs in particular, may be hindered in some cases by disproportionate and costly implementation of bribery prevention procedures.

In July 2013 the Business Services Red Tape Challenge⁷ recommended that Government should work with industry to help small business fully understand the appropriate application of the Bribery Act 2010 and associated guidance so as not to spend unnecessary time and money on disproportionate and over burdensome compliance measures.

Objectives

In order to carry out this work effectively, the Department for Business, Innovation & Skills (BIS) and Ministry of Justice (MoJ) commissioned IFF Research to conduct a survey among SMEs in order to develop a good indication of SMEs' existing level of knowledge and understanding of the Bribery Act, whether they had any bribery prevention procedures in place and the resources devoted to prevention.

The key objective of this research project was to collect the information needed to help BIS and MoJ to assess the need for further development of knowledge and understanding among SMEs that operate in overseas markets. With this in mind, the survey was designed to provide information on:

- awareness of the Bribery Act 2010 among SMEs that export, or plan to export goods and/or services;
- their use of guidance and advice on bribery prevention procedures (including who supplied the advice and how much it cost);
- the extent to which SMEs had put in place anti-bribery procedures and how much they cost;
- how the Act had affected their exports and operational behaviour overseas; and
- any specific concerns or problems they had experienced as a result of the Act or MoJ guidance.

⁷ <http://www.redtapechallenge.cabinetoffice.gov.uk/home/index/>

Methodology

Survey methodology

Given the necessity of achieving high response rates to ensure robust and actionable data, the approach taken for this research was a telephone survey using Computer Assisted Telephone Interview (CATI) software. All interviews were conducted from IFF's in-house CATI centre, using a team of highly trained and experienced business-to-business interviewers.

Although there were a lot of areas of interest to cover in the interview, there was also a need to keep the telephone interview relatively short and focused to help with recruitment (in general longer interviews are more difficult to recruit for) and to maximise engagement levels during the interview. It was decided that an interview length of around 15 minutes would achieve the right balance between interview coverage and being able to achieve the numbers required.

It was also necessary to take into account the possibility that some respondents may react with degree of alarm because of the nature of the subject matter. It was therefore important both when introducing the survey –as well as at various points during the interview – to reassure respondents that their responses would be kept in the strictest confidence and used for research purposes only.

In addition, given the legal reference points to much of the questioning, it was stressed that answers would not be judged in any way or passed on in a way that would identify the respondent or their company. Finally, if necessary, respondents would be offered a departmental letter reassuring the respondent that their responses would be collated anonymously and that the initiative was not in any way related to enforcement of the Bribery Act in individual cases.

The target audience for this research was SMEs who currently exported or planned to export goods and/or services in the next five years. Within these companies the target respondent was a senior person with responsibility for making decisions about their company's strategy in relation to overseas business and who was able to answer questions regarding their company's current or planned overseas business activities.

A sample list of around 10,000 SMEs that were known to either be currently exporting or planning to export was provided by BIS/UKTI (UK Trade and Investment). This was screened in order to a) identify eligible businesses; and b) identify the most appropriate person to speak to within the business about exports and company procedures. In order for a business to be eligible to take part in the research they had to fulfil the following criteria:

- have 250 or fewer employees (this included both full-time and part-time employees on the payroll, as well as any working proprietors or owners);
- to be exporting goods and/or services, or be considering doing so in the next five years.

In order for an individual responding for an SME to be eligible for the survey they had to confirm that they had responsibility for making decisions about their company's strategy in relation to overseas business and were able to answer questions on the subject.⁸

The interviewing process was as follows:

- A short screening interview was conducted with SME contacts to establish: (i) whether they were the most appropriate person to speak to about the company's strategy to business overseas; (ii) whether their company currently exported or were planning to do so; and (iii) explain the background, purpose and importance of the survey. During the screening stage, interviewers had the option of emailing a reassurance letter, as referred to above, direct from the CATI system if this was requested by the respondent.
- If the SME was currently exporting or planned to do so and was willing to participate, they were invited to complete the main research interview immediately or offered the option of arranging a convenient time to do so within the survey fieldwork period.

Gauging awareness of the Act was an objective of the survey. It was therefore important when introducing the research to respondents that the Bribery Act was not specifically mentioned. Instead, the survey was introduced as a survey to 'explore views on, and any experience of, an Act that has been made law and the associated Government guidance', so as to remain open and up front about the survey content without revealing the Act by name. Respondents were also told in the introduction that the specific Act the survey was about would become obvious to them over the course of the interview.

For reporting conventions used throughout the report please see Appendix A.

Sample design

For the majority of records on the BIS/UKTI list of exporting SMEs, a contact name, company name, telephone number and email address was provided. This sample was processed and checked for duplicate records before being loaded into IFF's CATI system.

Given that the exact profile of SMEs exporting or considering exporting was unknown at the time of the survey (coupled with the fact that detailed company information was not included on the sample), quotas for SME characteristics such as company size, industry sector and geographical location were not set. Instead, the sample was randomised and these characteristics were left to fall out naturally. However, the need for robust sample sizes in various sub-groups such as company size meant that these characteristics were monitored throughout fieldwork to ensure that a spread across sub-groups was achieved. The spread occurred naturally, and no actions were taken to adjust it.

⁸ In the majority of cases the sample supplied had a named SME contact, who was approached in the first instance. Where there was no contact name or the named respondent was unable to confirm they could answer questions on this topic, we asked to speak to a Senior Manager or Director at the organisation that had responsibility for making decisions about the company's strategy in relation to overseas business and was able to answer questions on the subject.

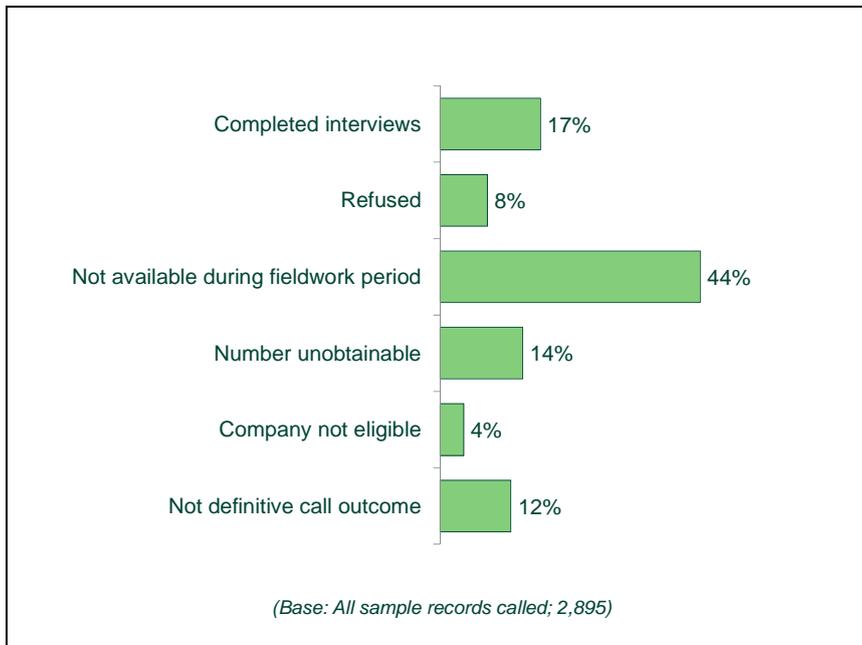
Fieldwork

Interviews were conducted by telephone between 7 and 24 January 2014 and lasted on average just under 15 minutes. A copy of the full questionnaire used is included in Appendix B.

A total of 2,895 sample records were called during the fieldwork period in order to achieve the target of 500 interviews. Figure 1 shows the breakdown of call outcomes for all records called during fieldwork. The response rate for this survey was therefore 25%.⁹

Of the 127 SMEs (4%) called that were not eligible to take part, the majority of these (104) were not eligible because they did not currently export and were not considering exporting in the next five years. The remaining ineligible records (23) were not eligible to take part because they had more than 250 employees. Those with no definitive call outcome were made up largely of those who, whilst not directly refusing an interview, were unable to commit to going through the interview at a specific time.¹⁰

Figure 1: Fieldwork call outcomes



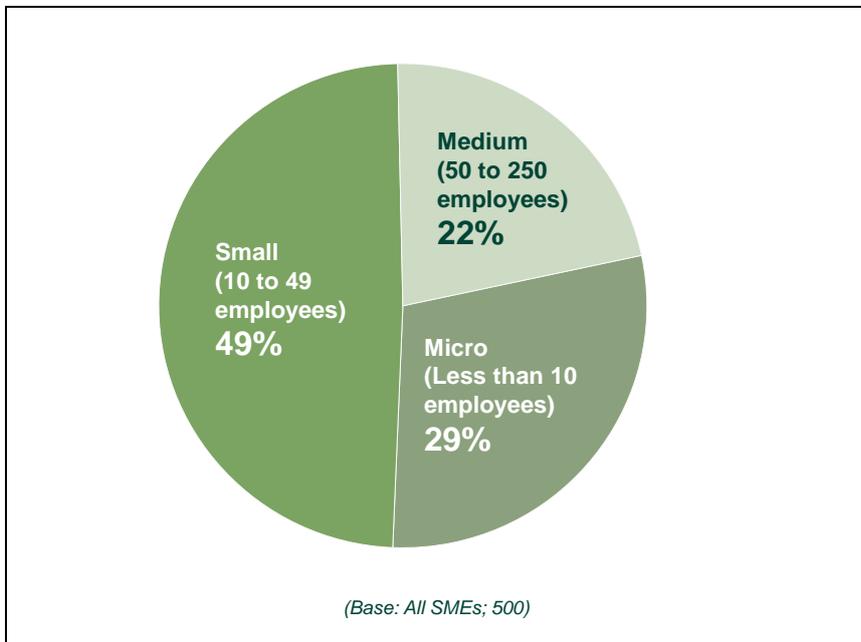
⁹ The response rate was calculated by taking the number of completed interviews as a percentage of all sample that was called, was eligible, was not unobtainable and had a definitive outcome.

¹⁰ Unknown eligibility.

Sample size and profile

A total of 500 interviews were achieved overall. Figure 2 shows the breakdown of these interviews by company size.

Figure 2: Interviews achieved by company size



As well as SME size, the industry sector of SMEs was also monitored. Figure 3 shows the profile of achieved interviews by sector.

Figure 3: Interviews achieved by company sector

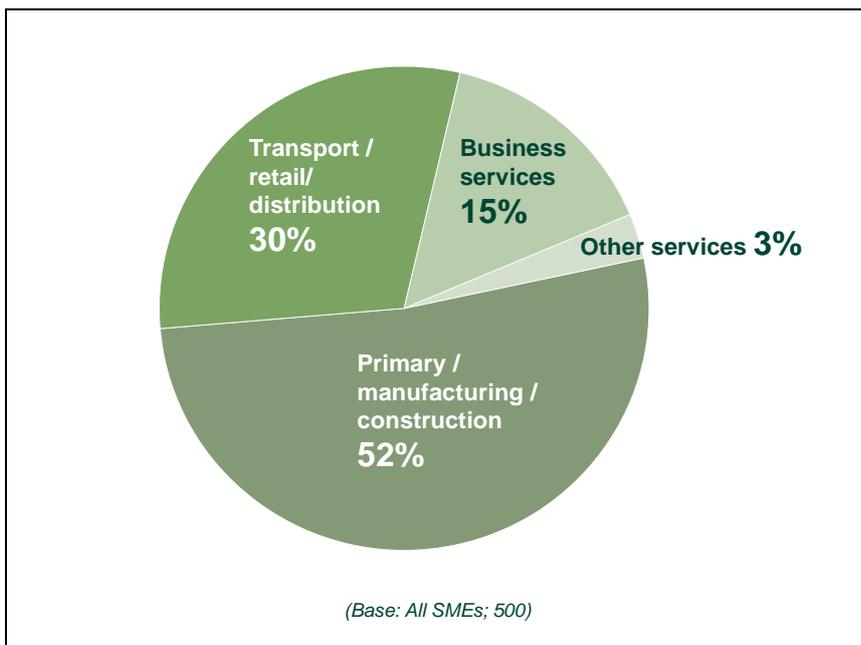
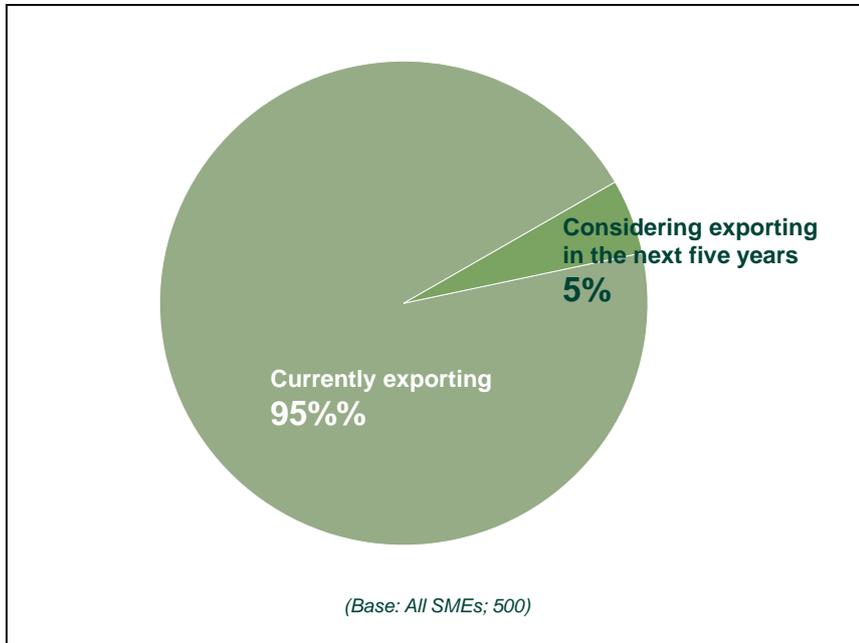


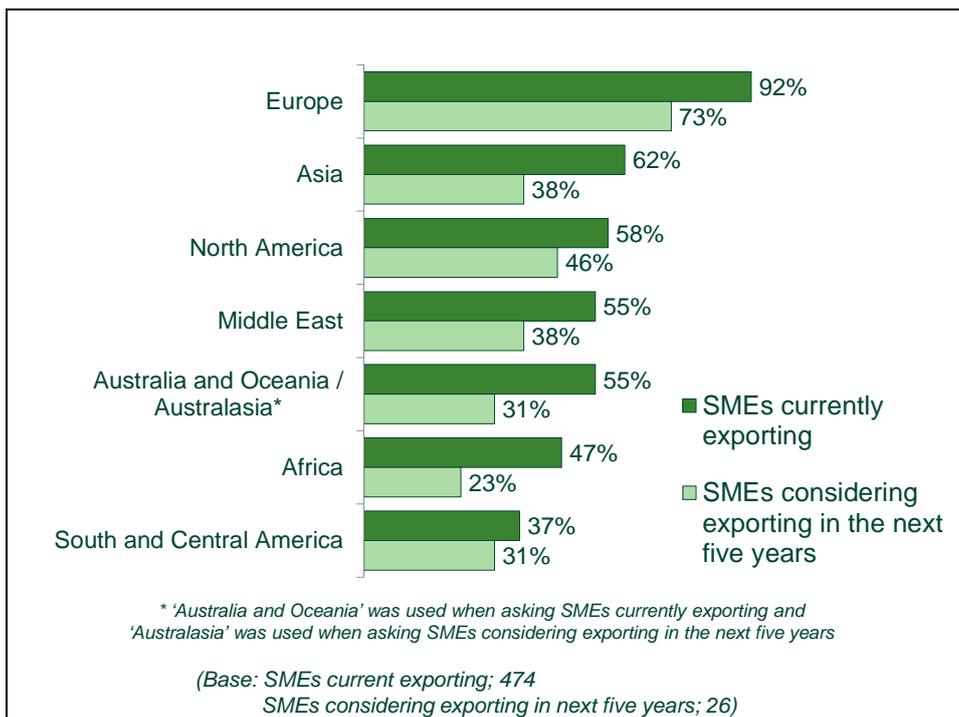
Figure 4 shows the proportion of the achieved sample that were currently exporting goods and /or services abroad, compared to the proportion who were considering exporting goods and/or services in the next five years.

Figure 4: Interviews achieved by export status



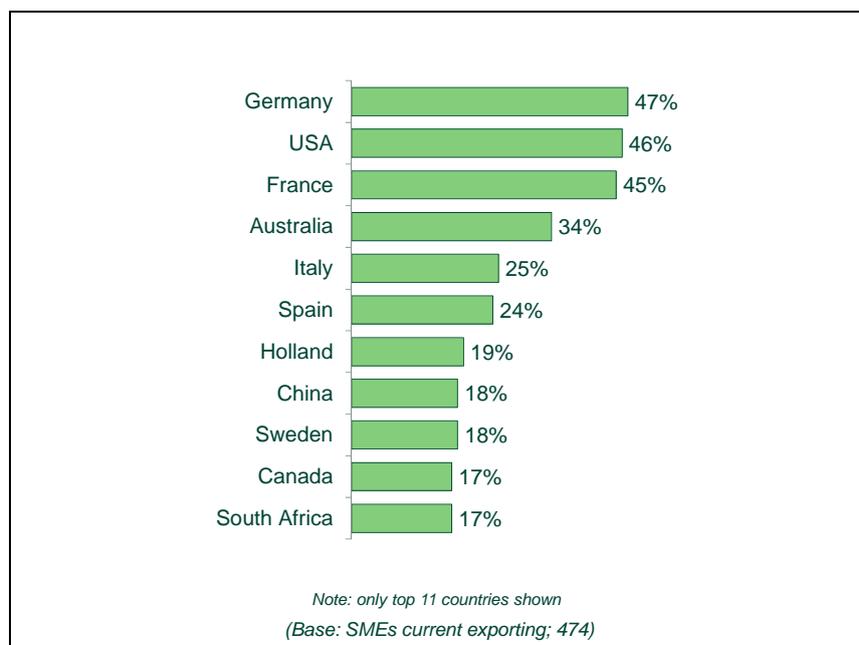
The export market region of those SMEs currently exporting is shown in Figure 5. In the majority of cases SMEs exported to more than one region.

Figure 5: Export market region by export status



The majority of SMEs surveyed that were currently exporting were exporting inside and outside Europe (87%) and tended to export to five or more different countries (85%). The most common export markets among those exporting were Germany (47%), the USA (46%), and France (45%). These were followed by Australia (34%), Italy (25%), Spain (24%), Holland (19%), China (18%), Sweden (18%), Canada (17%) and South Africa (17%). This is shown in Figure 6.

Figure 6: Export market countries among those currently exporting



Among those currently exporting, the USA was most frequently mentioned as the SMEs largest export market (19%). In second place was Germany (10%), with all other countries quoted as the largest export market by less than 10% of SMEs currently exporting.

Those SMEs surveyed that were not currently exporting but were considering exporting in the next five years, were asked which regions their business was thinking of exporting to at some point in the next five years – the results of this are also shown in figure 5. Please note that these figures are based on a very low base size and should therefore be treated with caution and used as indicative findings only. Just under three-quarters (73%) of SMEs not currently exporting were considering exporting to Europe, with just under half considering exporting to North America (46%). Africa was the region least likely to be considered as an export market, considered by around a quarter (23%) of SMEs.

In terms of the specific countries that SMEs not currently exporting were considering exporting to, the USA topped the list (42%), followed by Germany (31%), Canada (19%) and France (19%). Again, these findings should be treated with caution given the low base size of 26 SMEs.

Awareness of the Bribery Act

Whether SMEs had heard of the Bribery Act

Just over half (56%) of SMEs surveyed reported that they had heard of the Bribery Act 2010. The proportion of SMEs that had heard of the Act by name increased with business size. Only 42% of micro sized companies had heard of the Act compared to 54% of small companies and 78% of medium sized companies. Furthermore, those exporting to higher risk regions, as defined by the Corruption Perception Index¹¹ (including the Middle East, Asia, Africa and South and Central America), were more likely to have heard of the Bribery Act (58%) compared to those companies only exporting to regions at less risk including Europe, North America and Australia (41%).

Awareness of the provisions in the Act creating corporate liability for a failure to prevent bribery

In addition to whether SMEs had heard of the Bribery Act by name, SMEs were asked whether they were aware of the corporate failure to prevent bribery offence at section 7 of the Act (as described in the introduction). Just over half of all SMEs (53%) were aware of it. Awareness was linked with company size with only 39% of micro companies being aware, compared to 53% of small companies and 73% of medium sized companies.

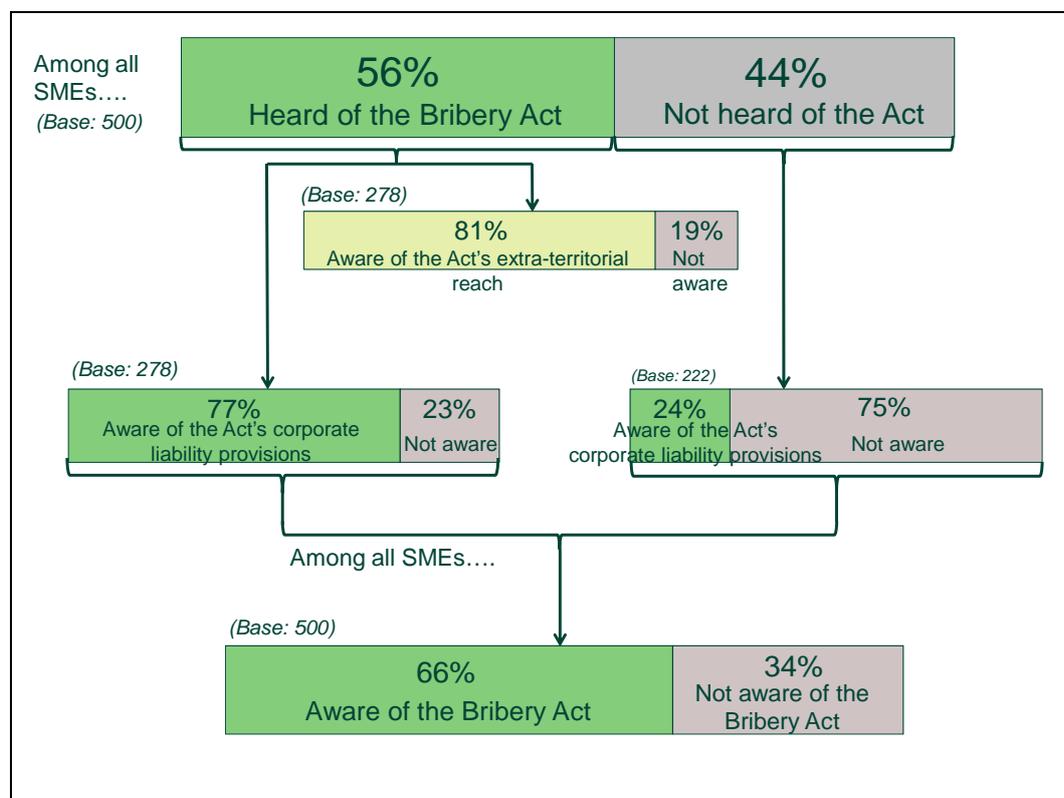
As shown in Figure 7, just under a quarter (23%) of SMEs that had heard of the Bribery Act were not aware of the section 7 corporate liability for failure to prevent bribery provisions.

Summary of Awareness

To gauge overall awareness of the Bribery Act 2010 – irrespective of whether SMEs had actually heard of the Act by name – the two awareness components (i.e. whether SMEs had heard of the Act and/or whether they were aware of the failure to prevent offence) were combined to derive an overall summary of awareness. As shown in Figure 7, two-thirds (66%) of SMEs were aware of the Bribery Act when these two awareness components were taken into consideration. Awareness was higher among medium sized companies (84%) compared to small (66%) and micro companies (52%).

¹¹ <http://www.transparency.org/cpi2012/results>

Figure 7: Summary of awareness of the Bribery Act in terms of whether SMEs had heard of the Act and/or were aware of the corporate failure to prevent bribery provisions¹²



Overall awareness was also greater among SMEs exporting to less developed regions, i.e. the Middle East, Asia, Africa and South and Central America (68%), compared to those companies only exporting to developed regions i.e. Europe, North America and Australia (56%).

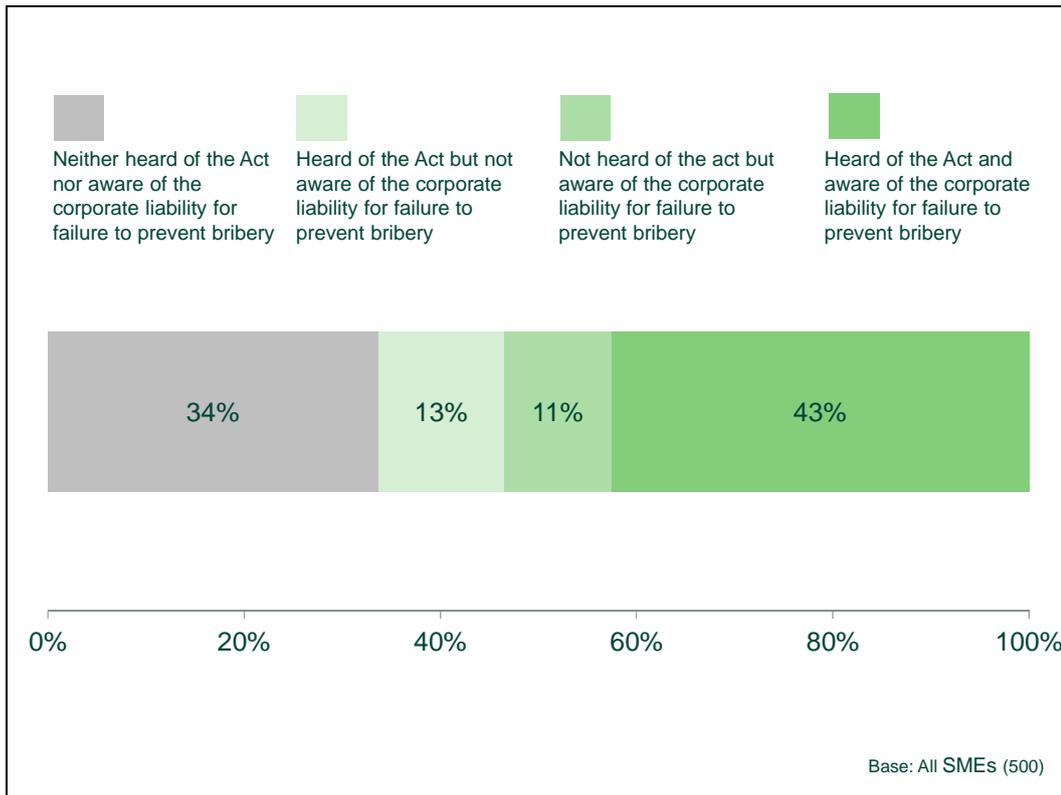
Just over one in ten (13%) of the 500 SMEs interviewed had heard of the Act but were not aware of the corporate liability for failure to prevent bribery. A similar proportion (11%) were aware of the corporate liability for failure to prevent bribery provisions but had not heard of the Act.¹³ Just under half (43%) of SMEs had heard of both the Act and were aware of corporate liability, in contrast to a third of SMEs (34%) who had neither heard of the Act nor were aware of the corporate liability for failure to prevent bribery.

A full breakdown as to which parts of the Bribery Act and corporate liability SMEs were aware of (i.e. whether they had heard of the Act and/or the corporate liability for failure to prevent bribery) is illustrated in Figure 8.

¹² Note: 'corporate failure to prevent bribery provisions' is defined as 'the Act's corporate liability provisions' in figure 7.

¹³ Note: SMEs were asked two separate questions – B1 (awareness of the Act) and B2 (awareness of the failure to prevent bribery provisions). The report presents the responses; interpretations of why there were companies that reported they were not aware of the Act but aware of the provisions are not subject to this report.

Figure 8: Awareness of different elements of the Bribery Act 2010



Awareness of extra-territorial reach of the Bribery Act 2010

Section 12 of the Bribery Act provides that the courts will have jurisdiction over bribery offences committed in the UK, but they will also have jurisdiction over offences committed entirely overseas where the person committing them has a close connection with the UK by virtue of being a British national or ordinarily resident in the UK, or a body incorporated in the UK or a Scottish partnership. The Act creates corporate liability for failure to prevent bribery in respect of offences committed anywhere in the world by a person associated with a commercial organisation irrespective of nationality.

As shown in Figure 7, around eight in ten SMEs (81%) that had heard of the Bribery Act were also aware that the Act has extra-territorial reach (i.e. it encompasses bribery offences committed overseas).

Perceived knowledge of the Bribery Act 2010

Of all SMEs that were aware of the Bribery Act, almost three-quarters (72%) perceived that their company had sufficient knowledge and understanding of the Act to be able to implement adequate anti-bribery procedures. This perceived knowledge and understanding was greatest among those SMEs that were aware of the failure to prevent offence of the Act (79%) compared to those that had only heard of the Act itself (45%).

When asked to identify any gaps in knowledge or understanding that the company had concerning its liability under the Bribery Act, 62% of all SMEs said that there was nothing that their company did not have sufficient knowledge or understanding of. This was, unsurprisingly, higher for those SMEs aware of the Bribery Act or its corporate failure to

prevent bribery offence (73%) compared to those not aware of the Act (41%). One-fifth (21%) of all SMEs said that they had limited or no knowledge of the Bribery Act overall.

More specific gaps in knowledge and understanding – though only mentioned by a minority of SMEs – included:

- A lack of understanding as to how the Act affects the use of agents and third parties (3% of all SMEs, which equates to 16 SMEs); and
- Confusion as to how the Bribery Act affects companies trading with countries where there is a known risk of bribery (1% of all SMEs, which equates to five SMEs).

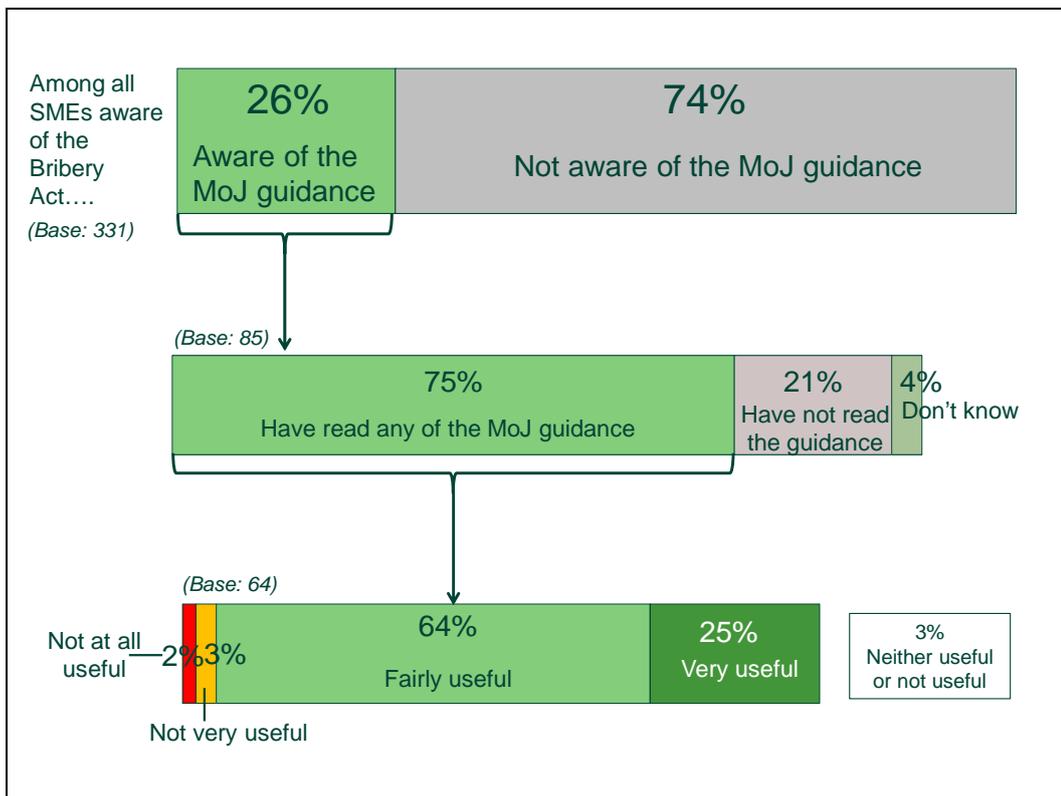
Ministry of Justice guidance

Awareness of Ministry of Justice guidance and level of engagement

In March 2011 the Ministry of Justice (MoJ) published guidance to help commercial organisations identify and implement procedures to prevent bribery. The guidance is intended to help commercial organisations of all sizes and sectors. It explains the policy behind section 7 of the Bribery Act and provides assistance to businesses in deciding what bribery prevention procedures they should implement.

As shown in Figure 9, around a quarter (26%) of SMEs that were aware of the Bribery Act said that they were also aware of the MoJ guidance.

Figure 9: Awareness of different element of the Bribery Act 2010



SMEs that were aware of the Act's extra-territorial reach were more likely to be aware of the MoJ guidance (34%) compared to those not aware (6%). Moreover, a greater proportion of those SMEs that were aware of the MoJ guidance had bribery prevention procedures in place (76%) compared to those who were unaware of the MoJ guidance (50%).

In addition, medium sized companies (33%) were more likely to be aware of the MoJ guidance than micro sized companies (17%).

Of those SMEs aware of the MoJ guidance, three quarters (75%) had actually read it. The majority of these (89%) reported that they found the guidance to be useful (64% found the guidance to be fairly useful and 25% found it very useful).

Only three SMEs were aware of the MoJ guidance, had read it and did not find it useful. The consensus among these three SMEs was that the MoJ guidance was common sense.

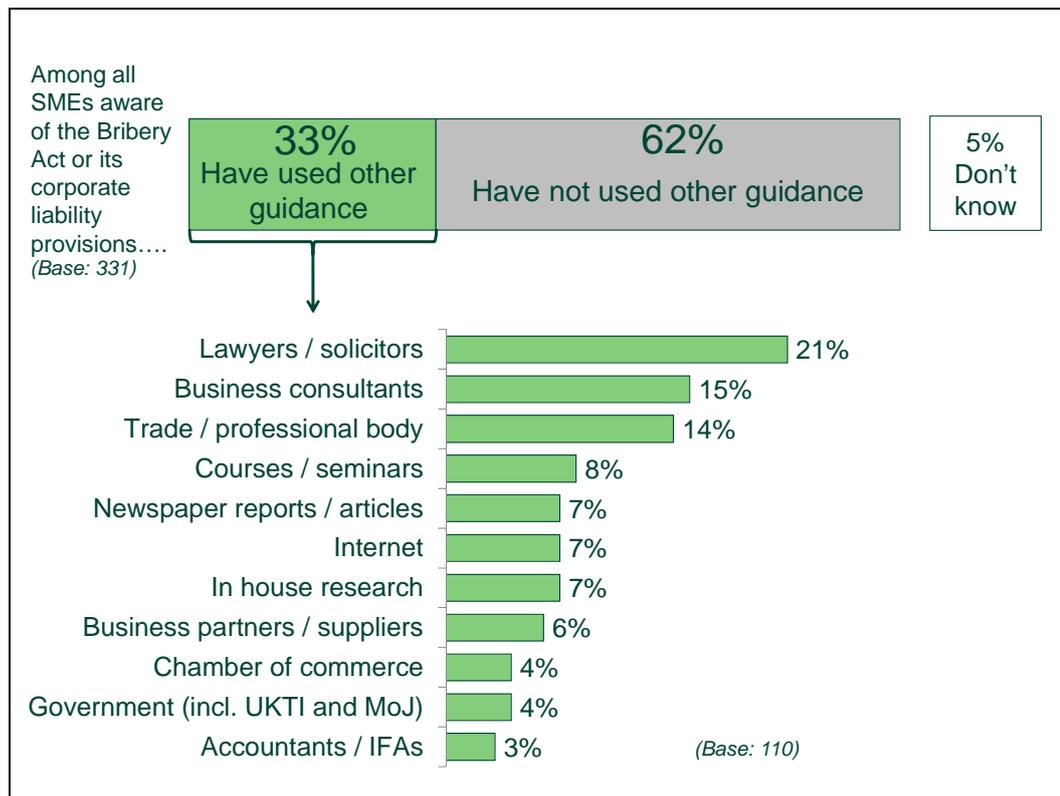
Other guidance and associated costs

Other guidance used

All SMEs that were aware of the Bribery Act or the Act’s liability provisions were asked if they had used any other guidance (other than the MoJ guidance) about the Bribery Act or about bribery prevention. An example of the BSI 10500 standard was given if asked.

A third (33%) of SMEs aware of the Bribery Act or the corporate liability for failure to prevent bribery had used other guidance. 21% of those that used other guidance used guidance provided by lawyers, 15% guidance from other business consultants, 14% guidance from trade / professional bodies – more details are given in Figure 10 below.

Figure 10: Other guidance used about the Bribery Act or bribery prevention

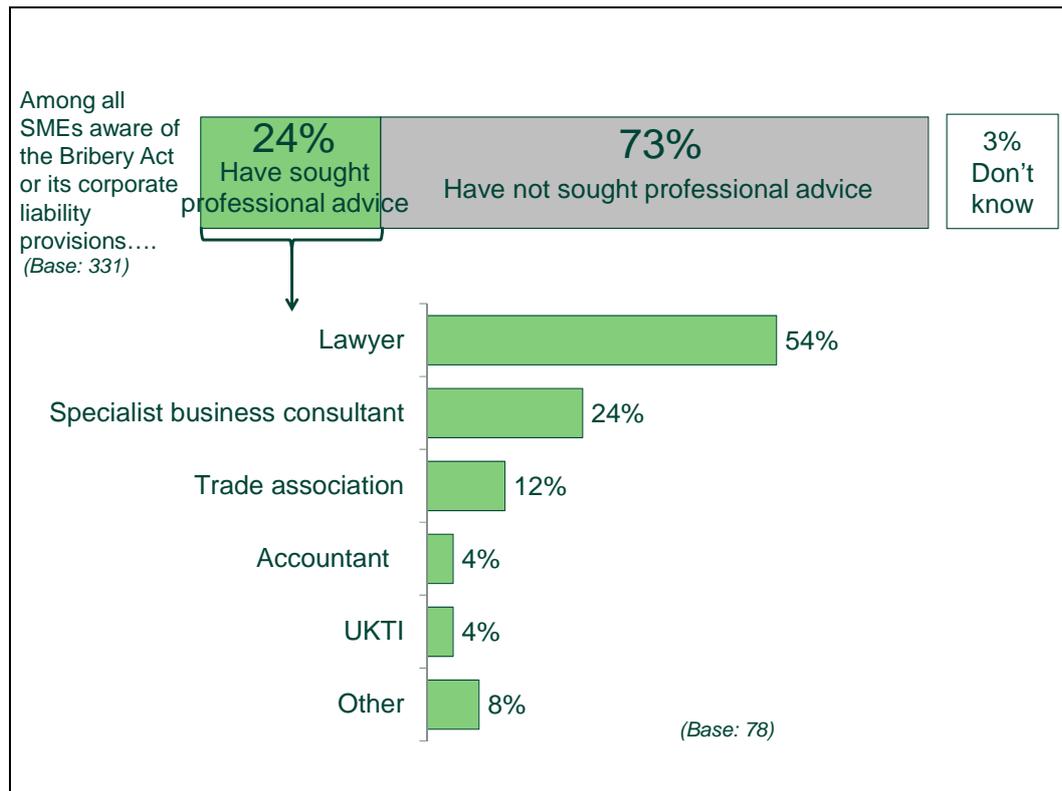


SMEs that exported to China were more likely than the average to have used other guidance (46% compared to 33% overall). In terms of size, medium sized companies (46%) were more likely to have used some form of other guidance compared to micro (27%) and small companies (29%). SMEs were also more likely to have used other guidance if they were aware of the MoJ guidance (56% compared to 25% unaware of the MoJ guidance) or had bribery prevention procedures in place (48% compared to 13% without procedures in place).

Professional advice sought

In addition to being asked about guidance other than that published by the Ministry of Justice, SMEs were also asked if they had sought any professional advice about the Bribery Act or about bribery prevention. Around a quarter (24%) of SMEs who were aware of the Bribery Act or its corporate liability for failure to prevent bribery had sought professional advice. As shown in Figure 11, this advice was most commonly sought from a lawyer (54%).

Figure 11: Professional advice sought about the Bribery Act or bribery prevention



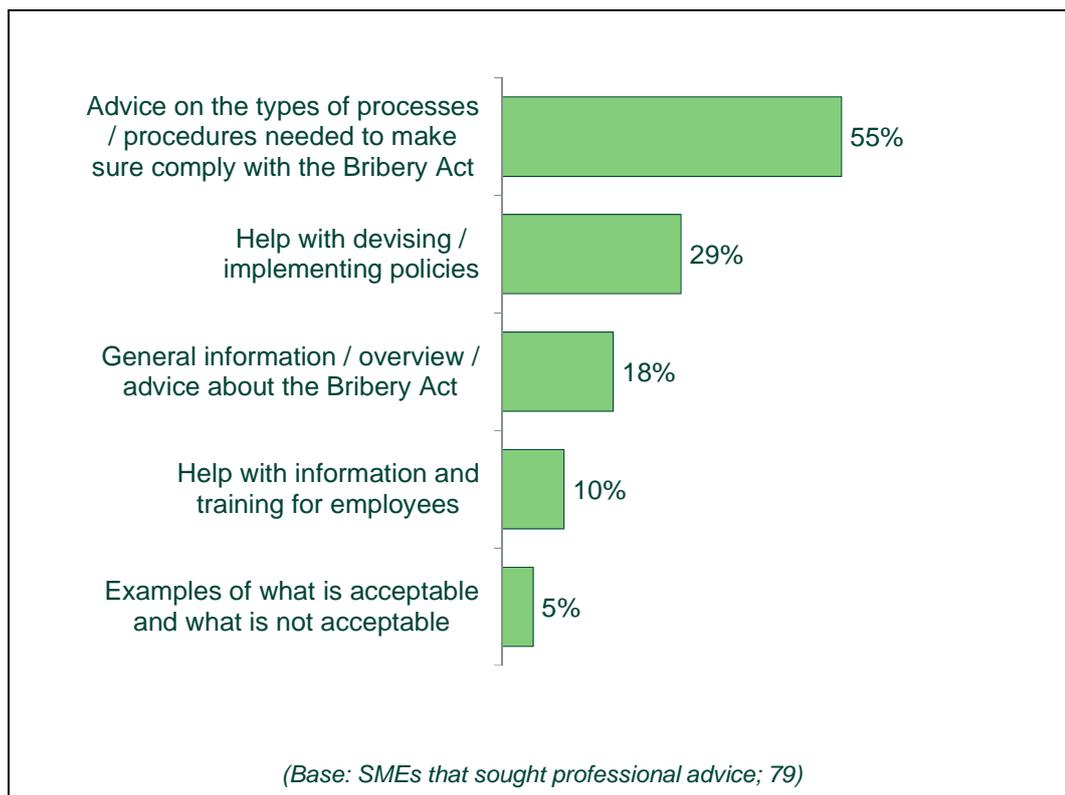
The following groups were more likely to have sought professional advice:

- medium sized companies (36% compared to micro (16%) and small (20%) companies);
- SMEs that were aware of the MoJ guidance (46% compared to 16% that were unaware of the MoJ guidance);
- SMEs that had bribery prevention procedures in place (35% compared to 8% without procedures in place)
- SMEs that exported to China (33% compared to 24% overall); and
- SMEs that claimed to have received a facilitation payment (43% compared to 23% who had not received a facilitation payment).

There was some cross over between SMEs that reported they had used other guidance and those that reported they had sought professional advice. Of those that had sought professional advice, two-thirds (65%) had also used guidance other than the guidance issued by MoJ. It should be noted that there were two separate sets of questions asked, one about other guidance, and one about professional advice – the results reflect what the respondent perceived each of these to mean.

In just over half of cases (55%) where SMEs had sought professional advice, this advice was about the types of processes and procedures needed to make sure they complied with the Bribery Act. Other advice received centred on help with devising and implementing bribery prevention policies (29%) and general information and overview about the Bribery Act (18%). One in ten SMEs (10%) that had sought professional advice received help in the form of information and training for employees and a smaller proportion (5%) received advice in the form of examples of processes and procedures that would / would not be congruent with the Bribery Act – see Figure 12 below.

Figure 12: Type of professional advice sought about the Bribery Act or bribery prevention



Almost all (96%) SMEs that had sought professional advice found the advice they received useful (58% very useful and 38% fairly useful). When asked why the advice was useful SMEs most commonly mentioned that:

- the advice had enabled them to put a bribery policy in place (35%);
- had made them aware of legal requirements of the Act (24%); or
- had made them more aware of the Bribery Act in general (21%).

Smaller proportions of SMEs also mentioned that:

- the information had offered clarity concerning the detail and implications of the Act (12%);
- had helped inform staff about the Act (5%);
- had helped to develop relevant staff training (4%); or
- had reassured them they could carry on exporting overseas (4%).

There was only one SME who reported that the professional advice they had received was not very useful and this was because they felt it had not been comprehensive enough (this SME had received general information about the Bribery Act from a Trade Association).

Cost of professional advice

In terms of the cost of receiving professional advice about the Bribery Act, the mean spend among SMEs was £3,740 with a median spend of £1,000. The discrepancy between the mean and median demonstrated that the mean was skewed by a few companies quoting a very high expenditure, rather than reflecting the overall spread of responses. A sizeable proportion of SMEs who had sought professional advice did not know how much they had spent on this advice (41%) and, as such, they have not been included in any of the average spend calculations.

The majority (90%) of SMEs that had sought professional advice on the Bribery Act or bribery prevention procedures felt that they had received good value for money (45% very good value for money and 45% fairly good value for money). Although a small minority (3%) felt they had received neither good nor poor value for money (and a further 8% were unable to provide an answer), none of the SMEs surveyed considered the advice they received to represent poor value for money.

Bribery prevention procedures

Bribery prevention procedures in place

The term 'bribery prevention procedures', as used in the Ministry of Justice (MoJ) guidance on the Bribery Act is used to embrace both bribery prevention policies and the procedures used to implement them. Although bribery prevention procedures are not obligatory under the Bribery Act 2010, companies are, in recognition of the statutory defence, encouraged to have adequate bribery prevention procedures that are proportionate to the bribery risks that they face, the size of the company and the nature and complexity of its business. For example, small organisations are less likely to need procedures that are as extensive as those of a large multi-national organisation.

SMEs were asked whether their company had ever assessed the risks of being asked for bribes and were given the example that bribes may take the form of cash payments, gifts, donations, or goods offered or given in order to obtain or retain business or an advantage in the conduct of business. A business advantage can include, for example speeding up of routine official administered procedures (see below under facilitation payments). A third of SMEs (33%) said that they had assessed the risk of being asked for bribes, leaving two-thirds that had either not assessed the risk (59%) or did not know if they had assessed the risk (8%).

SMEs exporting to the less developed export regions (including the Middle East, Asia, Africa and South and Central America), were more likely to have assessed the risk of being asked for bribes (36%) compared to 23% of those exporting only to more developed regions (including Europe, North America and Australia). In particular, SMEs exporting to China were more likely to have assessed the risk of being asked for bribes (52%) compared to those exporting to any other of the top eight export destinations.

The incidence of those that had assessed the risk of being asked for bribes also increased with company size with micro companies the least likely to have assessed the risk (20%), followed by small companies (34%), with medium sized companies the most likely to have assessed the risk (50%).

In addition, SMEs aware of the Bribery Act or its corporate liability for failure to prevent bribery were much more likely to have assessed the risk of being asked for bribes (46% compared to 9% of SMEs unaware of the Act), as were those aware of the MoJ guidance (71% compared to 37% of SMEs not aware of the guidance).

As shown in Figure 13 below, around four in ten SMEs (42%) stated that they had put bribery prevention procedures in place (defined in the survey as any procedure that the SME deemed conducive to preventing bribery). Those more likely to have bribery prevention procedures in place included:

- SMEs exporting to the relatively less developed regions (45%) compared to those exporting only to the more developed regions (35%);
- SMEs exporting to China (59%) compared to those exporting to any other of the top eight countries exported to (Germany 43%, USA 42%, France 41%, Australia 48%, Italy 46%, Spain 42%, Holland 44%);

- Medium sized companies (60%), compared to small companies (43%) and micro companies (29%).
- SMEs aware of the Bribery Act or its corporate liability for failure to prevent bribery (57% compared to 13% of SMEs unaware of the Act / the corporate liability)
- SMEs aware of the MoJ guidance (76% compared to 50% of SMEs not aware of the guidance).

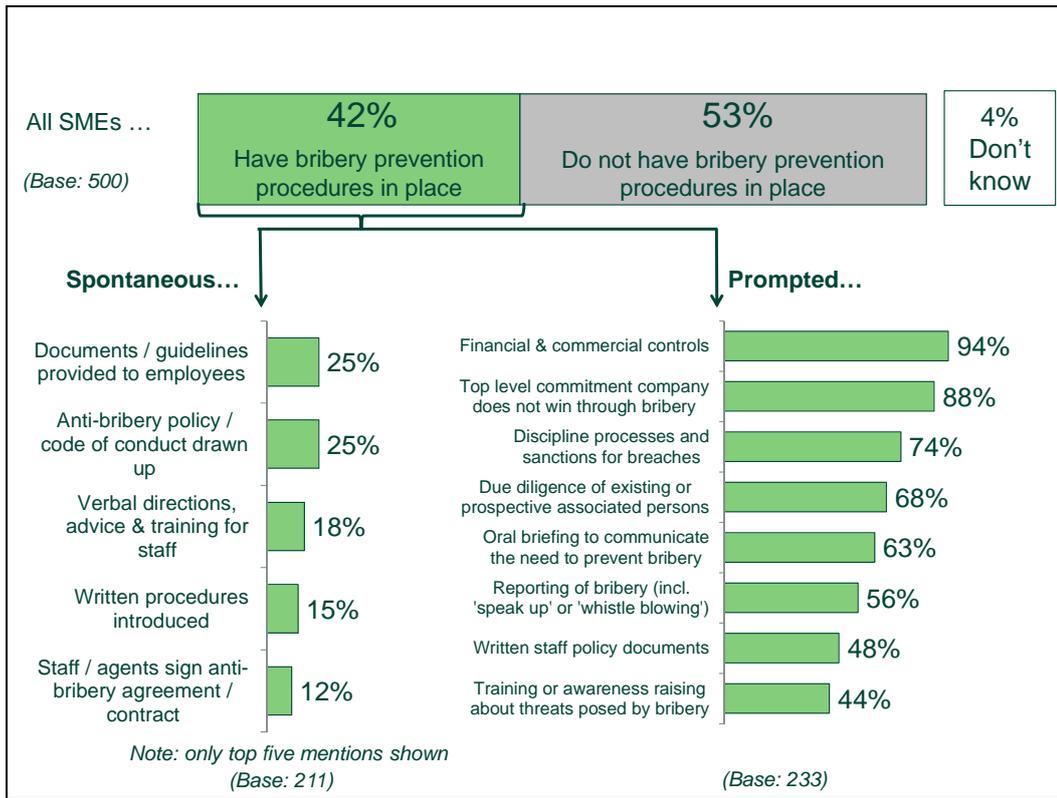
Figure 13 also shows the types of bribery prevention procedures that SMEs had in place. When asked to spontaneously describe their bribery prevention procedures (with no prompting of possible or example procedures), a quarter (25%) of SMEs with bribery prevention procedures in place said that the procedures took the form of documents and guidelines on the subject being provided to employees and agents, or involved an anti-bribery policy or a code of conduct being drawn up (25%). A typical example of an SME's response was:

'We have got a policy in place that we have embedded into our staff handbook and ensured that all our staff are aware of it. It tells people what they should and should not do and the sort of things that constitute a bribe.'
(Medium sized SME)

Less frequent mentions of types of procedures in place, not shown on Figure 13, included a formalised approach regarding gifts and hospitality (9%) and a general 'zero tolerance' approach to bribery (5%).

SMEs that had bribery prevention procedures in place were also prompted with a list of eight specific bribery prevention procedures and asked whether they had each of them in place, the responses to which are also shown in Figure 13. Of all SMEs that have some procedures in place, almost all (94%) said that they had financial and commercial controls such as bookkeeping, auditing and approval of expenditure; and only slightly fewer (88%) had a top level commitment that the company does not win business through bribery. At the other end of the scale just under half of SMEs with procedures in place had written staff policy documents to cover bribery prevention which are signed by staff (48%); or raised awareness and/or provided training about the threats posed by bribery in the sector or areas in which the organisation operates (44%).

Figure 13: Bribery prevention procedures in place¹⁴



SMEs that had bribery prevention procedures in place and were therefore prompted with the list of eight procedures had, on average, three of the procedures in place. SMEs exporting to China had the highest number of procedures in place, employing on average four of the eight procedures. Those exporting to China were also more likely to have a bribery prevention procedure in place that involves the reporting of bribery including 'speak up' and 'whistle blowing' (73%), compared to those exporting to Germany (53%); the USA (54%); France (52%); Australia (52%); and the Netherlands (50%).

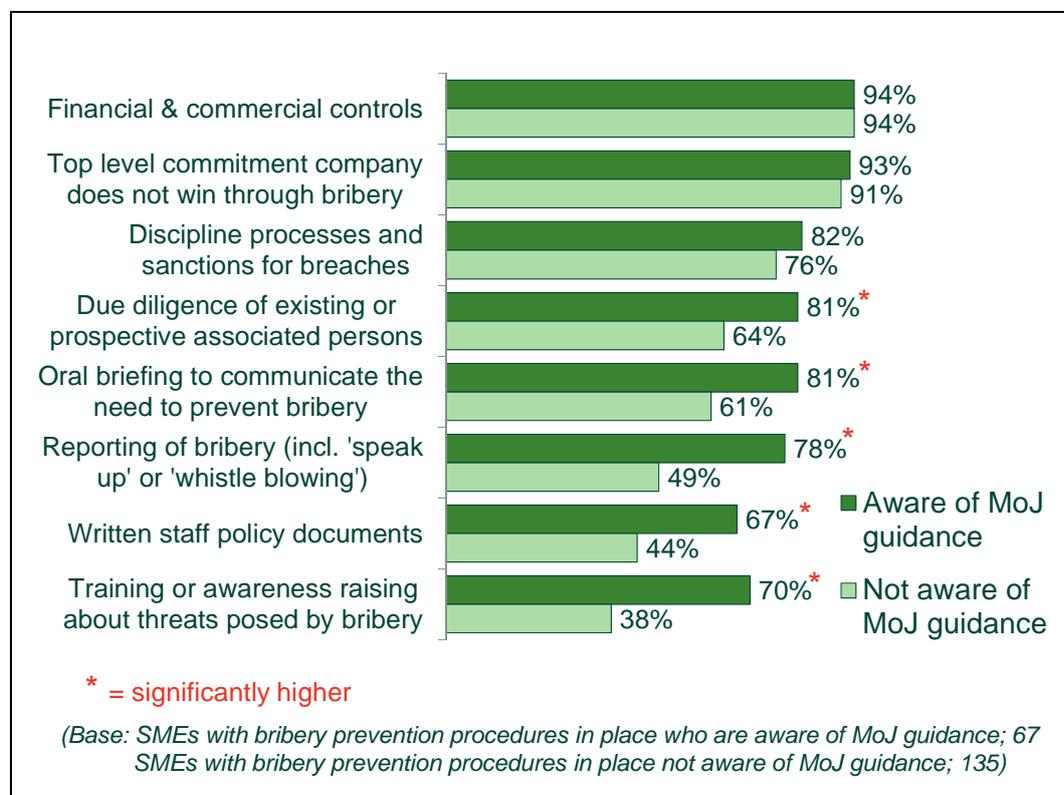
In addition, SMEs exporting to less developed regions (Middle East, Asia, Africa and South and Central America) were more likely to have a procedure for due diligence vetting of existing or prospective associated persons (71%), compared to those exporting to the more developed regions of Europe, North America or Australia (58%).

In terms of particular bribery prevention procedures included in the prompted list of eight procedures, as shown in Figure 14, SMEs aware of the MoJ guidance were more likely to have the following five procedures in place: due diligence vetting of existing or prospective associated persons (81% compared to 64% of SMEs not aware of the MoJ guidance); oral briefings to communicate the need to prevent bribery (81% compared to 61% of SMEs not aware); the reporting of bribery including 'speak up' and 'whistle blowing' procedures (78% compared to 49% of SMEs not aware); written staff policy document that covers bribery prevention and is signed by staff (67% compared to 44% of SMEs not aware); and training or awareness raising about the threats posed by bribery in general and in the sector in

¹⁴ Note: spontaneous and prompted have different bases (211 and 233 respectively). This is because those that answered question E2 (whether have bribery prevention procedures) as 'don't know' were not asked the spontaneous (question E3) but were asked the prompted (question E4).

which the organisation operates (70% compared to 38% of SMEs not aware) – see Figure 14 below.

Figure 14: Bribery prevention procedures in place by whether aware of the MoJ guidance



Of those SMEs with bribery prevention procedures in place, around two-thirds (63%) said that they reviewed company procedures to assess whether they were proportionate to the bribery risks faced by their company. SMEs which were aware of the Bribery Act or its corporate liability for failure to prevent bribery were more likely to review company procedures (70% compared to 13% of those not aware). Likewise, those aware of the MoJ guidance were more likely to review company procedures (78% compared to those not aware of the MoJ guidance, 67%).

SMEs that did review their procedures most commonly did so on an annual basis (58%), with a further 18% conducting reviews more frequently (3% monthly, 5% quarterly and 10% six monthly). Around one in ten (11%) reviewed their procedures less often than once every year.

Cost of bribery prevention procedures

The costs associated with bribery prevention were more likely to be considered as on-going costs (39% of SMEs with procedures in place) than one-off costs (22% of SMEs with procedures in place); although a further 15% felt that they were both one-off and on-going costs. A sixth (16%) of SMEs with procedures in place stated there were no costs associated with the procedures.

Among SMEs that had bribery prevention procedures that incurred some cost, the mean spend on these so far had been around £2,730; with the median spend lower at £1,000, this is shown in Figure 15. Averages throughout this section include SMEs who reported to have incurred some cost (when asked whether they incurred any costs), but gave a quantified cost of zero when asked about the amount of costs in subsequent question. Again, it should be noted that the difference between the mean and median reflects the fact that the mean is being skewed by a few companies giving particularly high responses, rather than reflecting the overall spread of responses.

Table 1 shows the distribution of cost estimates by assigning companies to a cost band. The table, and other tables below, contain some results that are based on low base sizes of fewer than 50, please treat these results with care and as indicative only.¹⁵

The table highlights that half of companies (53%) were unable to provide a cost for what they have spent so far on bribery prevention procedures (these companies have been excluded from the average calculations). Micro companies were more likely to spend nothing (19%) and medium companies were more likely to spend more than £5,000 (15%).

Table 1: Spend on bribery prevention procedures so far by company size

	Spend so far on bribery prevention procedures			
	All	Micro	Small	Medium
Base ¹⁶	178	32	87	55
	%	%	%	%
Nothing (£0)	10	[19]	10	5
£1–£999	11	[19]	10	7
£1,000–£2,499	13	[16]	16	7
£2,500–£4,999	5	[3]	5	7
£5,000+	7	[3]	3	15
Don't know (excluded from average)	53	[41]	54	59

In addition, SMEs with procedures in place that incurred on-going costs were asked to estimate how much they thought their company spent annually on bribery prevention in a typical year, table 2 shows the distribution of cost estimates by size for this. Micro companies were the most likely to spend nothing on an annual basis (32%), compared to small (11%) and medium (5%) sized companies.

¹⁵ %s based on small bases (less than 50) are given in square brackets [] in tables.

¹⁶ All SMEs who have procedures in place and reporting there has been a cost associated with these procedures so far (includes those that reported the cost of £0).

Table 2: Typical annual spend on bribery prevention procedures by size

	Typical annual spend on bribery prevention procedures			
	All	Micro	Small	Medium
Base	126	19	63	44
	%	%	%	%
Nothing (£0)	12	[32]	11	[5]
£1–£999	16	[26]	16	[11]
£1,000–£2,499	10	[5]	11	[11]
£2,500–£4,999	5	[5]	2	[9]
£5,000+	3	-	3	[5]
Don't know (excluded from average)	54	[32]	57	[59]

The average typical annual cost is shown in Figure 15, with the mean annual cost at £1,160 per year and the median at £500.

As shown in Figure 15, the average spend so far on bribery prevention procedures, as well as typical annual spend, was clearly linked to company size. In terms of spend so far, micro companies spent the least on average (£1,030 mean, £300 median), followed by small companies (£2,410 mean, £1,000 median), with medium sized companies spending the most (£4,610 mean, £2,750 median). Typical annual spend also shows micro companies spending the least (£390 mean, £2 median¹⁷) and medium sized companies spending the most (£1,960 mean, £1,000 median).

¹⁷ The difference between the mean and median reflects the fact that the mean is being skewed by a few companies giving particularly high responses.
Note: small base, should be treated as indicative.

Figure 15: Cost of bribery prevention procedures (£)

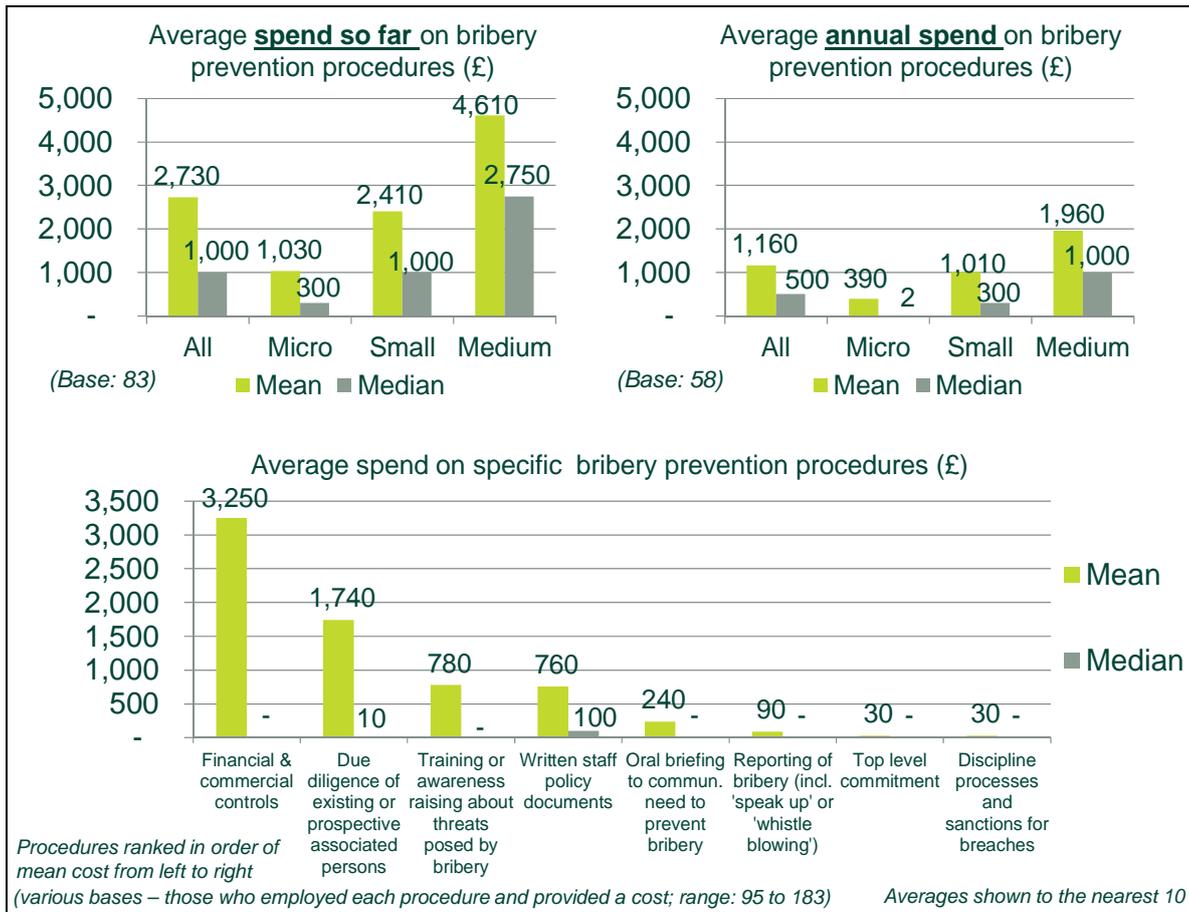


Figure 15 also outlines the average estimated spend on different bribery prevention procedures among those SMEs that employed them. Financial and commercial controls was the procedure that cost SMEs the most (£3,250 mean cost), followed by due diligence vetting of existing or prospective service providers (e.g. agents, intermediaries, employees etc. referred to in the Bribery Act as persons ‘associated’ with the business) (£1,740 mean cost). Using the median instead however brings the median cost down to zero and £10 respectively, highlighting the high proportion of SMEs that gave a cost of zero. A similar picture can be seen with all other procedures, with the exception of written staff policy documents, where the median cost was £100.

Table 3 shows how these costs for each procedure are distributed at the overall level and by size. The table shows that around half of companies were unable to provide a cost estimate for each of the procedures, and the incidence of this was typically higher within medium sized companies. Micro companies were most likely to spend nothing on each of the procedures (see Table 3).

Table 3: Spend on specific bribery prevention procedures by size

	Spend on bribery prevention procedure			
	All	Micro	Small	Medium
	%	%	%	%
Spend on financial & commercial controls				
Base	183	31	89	63
Nothing (£0)	20	[39]	15	17
£1–£999	5	[10]	4	5
£1,000–£4,999	6	-	4	11
£5,000+	9	[13]	12	2
Don't know (excluded from average)	61	[39]	65	67
Spend on due diligence of existing or prospective associated persons				
Base	133	21	62	50
Nothing (£0)	23	[48]	18	18
£1–£999	11	[10]	13	8
£1,000–£4,999	5	[5]	2	8
£5,000+	8	[5]	6	10
Don't know (excluded from average)	55	[33]	61	56
Spend on written staff policy documents that are signed				
Base	98	15	40	43
Nothing (£0)	19	[53]	[18]	[9]
£1–£999	19	[13]	[30]	[12]
£1,000–£4,999	13	[20]	[8]	[16]
£5,000+	2	-	[3]	[2]
Don't know (excluded from average)	46	[13]	[43]	[60]
Spend on oral briefing to communicate need to prevent bribery				
Base	126	24	62	40
Nothing (£0)	29	[54]	23	[25]
£1–£999	18	[21]	19	[15]
£1,000–£4,999	2	-	3	[3]
£5,000+	1	-	-	[3]
Don't know (excluded from average)	49	[25]	55	[55]
Spend on reporting of bribery (incl. 'speak up' or 'whistle blowing')				
Base	119	17	56	46
Nothing (£0)	36	[65]	38	[24]
£1–£999	13	[6]	14	[15]
£1,000–£4,999	2	-	2	[2]
£5,000+	-	-	-	-
Don't know (excluded from average)	49	[29]	46	[59]

	Spend on bribery prevention procedure			
	All	Micro	Small	Medium
	%	%	%	%
Spend on financial & commercial controls				
Base	183	31	89	63
Nothing (£0)	20	[39]	15	17
£1–£999	5	[10]	4	5
£1,000–£4,999	6	[0]	4	11
£5,000+	9	[13]	12	2
Don't know (excluded from average)	61	[39]	65	67
Spend on top level commitment to not win business through bribery				
Base	172	30	83	59
Nothing (£0)	47	[57]	41	51
£1–£999	8	[17]	7	5
£1,000–£4,999	-	-	-	-
£5,000+	-	-	-	-
Don't know (excluded from average)	45	[27]	52	44
Spend on discipline processes and sanctions for breaches				
Base	149	21	69	59
Nothing (£0)	52	[71]	51	47
£1–£999	5	[5]	6	5
£1,000–£4,999	1	[5]	-	-
£5,000+	-	-	-	-
Don't know (excluded from average)	42	[19]	43	47

Table 4 shows the mean and median cost of bribery prevention procedures by export market. The averages for each specific procedure have been calculated based on those who had the procedure in place and said that there were one-off or on-going costs associated with bribery prevention and includes SMEs who gave a cost of zero. It should be noted that some of the base sizes are very small (in part due to the high number of 'don't know' responses provided and therefore excluded from the base and average calculation), findings should consequently be treated with caution and viewed as indicative only.

Table 4: Average cost of bribery prevention procedures (£) by export market

Bases shown for each in brackets (developed / less developed)	Relatively developed export markets only (Europe, North America and Australia)		Less developed export markets (Middle East, Asia, Africa, South and Central America)	
	Mean (£)	Median (£)	Mean (£)	Median (£)
Spend so far on anti-bribery procedures (11/68)	2,454	500	2,900	1,000
Annual spend on anti-bribery procedures (11/44)	1,836	500	1,072	500
Spend on financial & commercial controls (11/57)	2,120	0	3,620	30
Spend on due diligence of existing or prospective associated persons (7/52)	90	0	1,990	40
Spend on training / awareness raising about threats of bribery (6/41)	850	0	810	30
Spend on written staff policy documents that are signed (7/46)	220	100	840	100
Spend on oral briefing to communicate need to prevent bribery (9/51)	160	0	270	0
Spend on reporting of bribery (incl. 'speak up' or 'whistle blowing') (9/50)	140	0	70	0
Spend on top level commitment to not win business through bribery (12/79)	10	0	40	0
Spend on discipline processes and sanctions for breaches (10/73)	50	0	30	0

The biggest discrepancy in spend on bribery prevention procedures between SMEs that only exported to developed markets and SMEs that exported to less developed markets (they may also have exported to developed markets) involved due diligence vetting of existing or prospective associated persons. Taking the mean, SMEs who exported to any less developed export market spent more than twenty times the amount on due diligence of service providers (associated persons) (£1,990), than SMEs who only exported to developed markets (£90). It should be noted that there is a much smaller discrepancy in the median cost of £30 for less developed markets compared to zero cost for developed markets.

The low mean spends across the board reflect the fact that high proportions of SMEs said that there was no cost associated with each of the bribery prevention procedures, despite stating that there were one-off or on-going costs associated with bribery prevention procedures. Table 5 outlines the proportion of SMEs providing a zero response at each of the questions where they were asked to provide a cost. SMEs that reported a cost of zero have been included in the calculations of mean costs.

Table 5: Proportion of SMEs unable to provide cost or providing cost of zero

All SMEs who have procedures in place and say there is a cost associated with these procedures	SMEs giving cost of zero (once don't knows excluded) ¹⁸	SMEs unable to provide a cost
	%	%
Bases shown for each in brackets		
Spend so far on anti-bribery procedures (178)	22	53
Annual spend on anti-bribery procedures (126)	26	54
Spend on financial & commercial controls (218)	51	51
Spend on due diligence of existing or prospective associated persons (158)	50	46
Spend on training / awareness raising about threats of bribery (103)	51	45
Spend on written staff policy documents that are signed (111)	36	41
Spend on oral briefing to communicate need to prevent bribery (147)	58	42
Spend on reporting of bribery (incl. 'speak up' or 'whistle blowing') (130)	70	45
Spend on top level commitment to not win business through bribery (206)	85	37
Spend on discipline processes and sanctions for breaches (172)	90	36

The vast majority of SMEs consider there was no cost attached to discipline processes and sanctions (90% of SMEs that employed this procedure) and spend on top level commitment (85% of SMEs that employed this procedure).

The proportion of SMEs who were unable to provide a cost figure at all was also high (Table 5). Those who gave a 'don't know' response have been excluded from the average calculations.

¹⁸ Note: the second column 'SMEs giving cost of zero (once don't knows excluded)' has a base where 'don't knows' have been excluded, whereas the third column is based on 'all asked the question' – therefore the rows are not supposed to sum up to 100%.

Looking at those at the high end of the cost distribution for spend so far on bribery prevention procedures (the top 20% of those who provided a cost value – in this case those with costs of £4,000 or more),^{19 20} the following patterns are observed:

- Nearly two-thirds (63%) were medium sized companies, with the rest largely made up of small companies (31%), and a small minority of micro companies (6%).
- They were more likely than average to export to Australia and Oceania (81% of those with ‘high costs’ export to Australia and Oceania compared to 55% among all those who currently export).
- They were also more likely to be aware of both the Bribery Act 2010 and its liability provisions (81% compared to 43% for all SMEs); and more likely to be aware of the MoJ guidance (53%) compared to 26% for all SMEs.
- In addition, those with high costs for spend so far on bribery prevention procedures were more likely to have been asked for a facilitation payment (38%) compared to 5% of all SMEs interviewed.

Turning to explore those at the high end of the cost distribution in terms of typical annual spend on bribery prevention procedures (in this case those with costs of £2,000 or more), similar patterns are observed:

- The majority were medium sized companies (57%), around a third were small in size (36%), and a minority were micro (7%).
- They were also more likely to be aware of both the Bribery Act 2010 and its liability provisions (86% compared to 43% on average); and in addition were more likely to be aware of the Act’s territorial reach (79% compared to 45% on average).
- They were more likely to be aware of the MoJ guidance (50% compared to 26% on average).

To summarise, those with high costs are most likely to be medium in size and in some cases exporting to the less developed regions. Also, as could be expected, they were more likely to be aware of the Bribery Act 2010 (including its corporate failure to prevent liability provisions and extra territorial reach) and the MoJ guidance.

¹⁹ Those classed as being at the ‘high’ end of the cost distribution are in the top 20% of costs given at each question. The top 20% is therefore calculated separately at each question where costs are given, including questions E6 (Spend so far on bribery prevention procedures), E7 (Typical annual spend on bribery prevention procedures) and E8 iterations 1–8 (specific bribery prevention procedure that company has in place).

²⁰ Please treat cost distribution analysis with caution due to low base sizes throughout for the ‘high cost’ groups.

Facilitation payments

The term 'facilitation payment' is applied to a small bribe paid to induce the performance of a routine official action involved in conduct of business which the payer of the bribe is entitled to as part of the official's duties. A common example is where an official is given money or goods (e.g. cigarettes or alcohol) in order to expedite the performance of an existing duty to issue documentation necessary for the payer to further business objectives. The UK has never allowed such payments and the 2010 Bribery Act does not provide any exemption for such payments, regardless of their size or frequency.

Among SMEs that exported at the time of the survey, only 6% reported that employees of their company or agents acting on the company's behalf had ever been asked for cash payments, gifts, donations or goods in kind such as cigarettes or alcohol that could be described as a bribe. These were more likely to be medium sized companies (11%) compared to micro and small companies (both 4%).

Of those that had experienced being asked for 'facilitation payments', 19% said that employees or agents representing their company received demands for such payments 'fairly regularly', the majority (59%) said such demands occurred 'occasionally' and a further 19% said that this had happened only once in their experience.

The most commonly mentioned countries in which requests for facilitation payments had been made were China (mentioned by nine of the 500 SMEs interviewed), followed by Russia and Saudi Arabia (both mentioned by three of the 500 SMEs interviewed).

Impact on exports

One of the objectives of the research was to explore how the Bribery Act was affecting the ability of SMEs to continue, or start, exporting.

When SMEs who were aware of the Bribery Act were asked the degree to which the Bribery Act had impacted on their company's ability or plans to export, the majority (89%) felt that it had had no impact at all. Small minorities felt that it had had a positive impact (5%) or a negative impact (3%).

The small number of SMEs (14 in total) who felt that the Bribery Act has had a positive impact on their company's ability to export believed the positive impacts encompassed: making them more careful and aware of the risks of bribery when engaging in business deals (five SMEs); and three SMEs who said that the Act had made them only want to do business with organisations deemed to be 'above board' in terms of bribery. Note that the number of SMEs rather than percentages is quoted here due to the low sample base size for that question. The types of responses SMEs gave here included:

'It has just made employees more aware not to accept things, as it is now a disciplinary measure.'
(Medium sized SME)

'We are more aware of our agents in other countries and spend more time reviewing them.'
(Medium sized SME)

Other positive impacts mentioned included: the creation of a 'level playing field' among companies competing for business deals (two SMEs); potential customers wanting adherence to the Bribery Act (two SMEs); saving them from wasting money on bribes (two SMEs); and helping them to act within the law (two SMEs).

On the other hand, the handful of SMEs aware of the Bribery Act who felt that the act had negatively impacted on their ability or plans to export (nine SMEs – who were all currently exporting rather than considering exporting), cited that it had lost them business because some competitors still offered bribes or some customers wanted bribes (six SMEs). A further two SMEs felt concerned over being liable for the actions of third party agents and one SME mentioned that the extra cost of putting in procedures to comply with the Bribery Act had been a negative impact on their company. Some examples of SMEs responses as to why the Bribery Act has had a negative impact included:

'Because we are compliant and we are exporting to countries where the Bribery Act is just a piece of paper. [Bribery is] illegal in [the UK], but it is part of the business culture in several other countries.'
(Small sized SME)

'We now choose not to operate in countries where there is a known risk of bribery. [For example] we have withdrawn from operating in China due to the risk of falling foul of the law.'
(Medium sized SME)

Although these responses provide insight as to why a small minority of SMEs felt that the Bribery Act has had a negative impact, it is worth reiterating that they only account for 3% of SMEs aware of the Bribery Act.

To conclude the survey, SMEs aware of the Bribery Act were asked if they had any other specific concerns or problems related to the Act. Nine in ten SMEs aware of the Bribery Act (90%) had no specific concerns or problems. Of the one in ten who did, their concerns or problems centred around the specifics of the Act being open to interpretation (five SMEs) and the commercial disadvantage due to competitors in other countries still being able to offer bribes (five SMEs). A further four SMEs felt that it was difficult to monitor their agents (four SMEs) and another four believed that the Act restricted growth, in that they felt they could no longer operate in countries where bribery is known to be a commonplace. General problems or concerns with the Bribery Act raised included:

'Only from the perspective that small corporate gifts have been refused, i.e. corporate items – there is a lack of clarity on what is an acceptable marketing product and what constitutes a bribe.'

(Small sized SME)

'There is a suspicion that competitors may be offering bribes to get business, but it is hard to be sure of this.'

(Micro sized SME)

'Our concern is that the Bribery Act seems to make us responsible for the actions of people, such as third party agents, we cannot possibly control.'

(Small sized SME)

Again, it is worth noting that these views account for the minority, with the vast majority (90%) reporting no specific concerns or problems related to the Bribery Act 2010.

Conclusions

The main findings are:

- Around two-thirds (66%) of the interviewed SMEs reported that they were aware of the Bribery Act; and where SMEs were aware of the Act more than two-thirds (72%) perceived that their company had sufficient knowledge and understanding of the Bribery Act to be able to implement adequate anti-bribery procedures.
- The Ministry of Justice guidance on bribery prevention could be getting through to more SMEs – currently only a quarter (26%) of SMEs aware of the Bribery Act were aware of the MoJ guidance. Also, where SMEs were aware of the MoJ guidance, the majority had read it (75%) and found it useful (89%). Some SMEs were using other guidance (33% of those aware of the Act), and professional advice (24%) on bribery prevention.
- In addition, where companies were aware of the MoJ guidance they were more likely to have bribery prevention procedures in place (76%) compared to companies not aware of the guidance (50%).
- Over half (59%) of SMEs had not assessed the risk of being asked for bribes, and just over half (53%) did not have bribery prevention procedures in place. Those that had not assessed the risk of being asked for bribes were more likely to be micro (79%) compared to medium sized companies (39%); and likewise those that did not have bribery prevention procedures in place were more likely to be micro (69%) compared to medium sized companies (33%).
- Of SMEs that had some bribery prevention procedures in place, almost all (94%) said that they had financial and commercial controls such as bookkeeping, auditing and approval of expenditure. Only slightly fewer had a top level commitment that the company does not win business through bribery (88%), and discipline processes and sanctions for breaches of the organisation's anti-bribery rules (74%).
- In terms of the cost to SMEs of bribery prevention procedures, the mean spend to date was £2,730 and the median spend was £1,000 (22% said that they had so far spent nothing). This was closely linked to size, with micro companies spending the least and medium companies spending the most. To that extent the findings would reflect the application of the concept of proportionality.
- The typical annual cost of bribery prevention procedures also increased with company size but at the overall level the mean annual spend was £1,160 and the median annual spend was £500 (26% said that their typical annual spend was zero).
- A small minority of SMEs (6%) reported that they, or agents acting on their company's behalf, had ever been asked for a small bribe that could be described as a facilitation payment. Where this has taken place, the countries where this was most likely to happen were China (mentioned by nine SMEs), Russia and Saudi Arabia (both mentioned by three SMEs).
- Overall, the research suggests that Bribery Act 2010 is not having any widespread negative impact on SMEs exports, with the majority (90% of those aware of the Act) reporting that it had no impact at all. Also, the vast majority of companies (90%) aware of the Act reported that they had experienced no specific concerns or problems in relation to the Bribery Act 2010.
- The findings suggest that in general the concept of proportionality is likely to be applied in practice. Bigger companies and those exporting to riskier markets tend to dedicate more resources to bribery prevention.

Appendices

Appendix A: Reporting conventions

In tables, a figure of zero is denoted as a dash “-”, and a figure larger than zero but smaller than 0.5 is denoted an asterisk “*”.

The findings presented in this report reflect a descriptive exploration of the data, however it should be noted that in all cases where differences by subgroups are commented on they are statistically significant at the 95% level. Where differences are not significant for these subgroups they are not reported on.

When referring to SME size throughout the report the term “micro” is used to refer to companies with less than 10 employees, “small” is used to refer to companies with 10 to 49 employees and “medium” is used to refer to companies with 50 to 250 employees.

Throughout the report all findings are based on unweighted data.²¹ Base figures are shown on tables and charts to give an indication of the statistical reliability of the figures. These figures are always based on the number of SMEs answering a question.

It should also be noted that in some places the base sizes used in analysis are lower than 50, where this is the case caveats are included to show that results should be treated with caution. This is due to the margins of error being quite large around findings with these base sizes. %s based on small bases (less than 50) are given in square brackets in tables.

It is possible that some tables and figures in this report will sum to just over or just under 100% (i.e. 99% or 101%) – this is due to the rounding in the analysis.

²¹ Unweighted data is the raw data collected from survey respondents. Therefore all sample members will be weighted equally, with each sample member effectively assigned a weight of 1.

Appendix B: The questionnaire

Bribery Act Research

J5307

Telephone

S Screener

IF HAVE CONTACT NAME FROM SAMPLE

S1 **Good morning/afternoon, my name is [NAME]. I'm calling from IFF Research, an independent research agency.**

We are conducting an important study on behalf of the Ministry of Justice (MoJ) and the Department for Business, Innovation and Skills (BIS).

Can I please speak to [CONTACT NAME]?

ADD IF NECESSARY If contact is no longer at organisation, please can I speak to a Senior Manager or Director at your organisation that has responsibility for making decisions about the company's strategy in relation to overseas business, this may be the Owner or Financial Director.

Transferred	1	CONTINUE TO S3
Referred to someone else at establishment NAME _____ JOB TITLE _____	2	TRANSFER AND RE-INTRODUCE At S3
Hard appointment	3	MAKE APPOINTMENT
Soft Appointment	4	
Wants reassurance email	5	GO TO S4
Wants reassurances	6	GO TO REASSURANCES
Refusal	7	CLOSE
Refusal – company policy	8	
Refusal – Taken part in recent survey	9	
Nobody at site able to answer questions	10	
Not available in deadline	11	
Engaged	12	
Fax Line	13	

No reply / Answer phone	14	
Residential Number	15	
Dead line	16	
Company closed	17	

IF HAVE NO CONTACT NAME FROM SAMPLE

S2 **Good morning/afternoon, my name is [NAME]. I'm calling from IFF Research, an independent research agency.**

We are conducting an important study on behalf of the Ministry of Justice (MoJ) and the Department for Business, Innovation and Skills (BIS).

Please could you put me through to a Senior Manager or Director at your organisation that has responsibility for making decisions about the company's strategy in relation to overseas business?

This is likely to be the Owner, Managing Director, CEO, Company Secretary, Financial Director, Business Development Officer or Compliance Director.

ADD IF NECESSARY: If none of the above are available, we would also be interested in speaking to any equivalents of these roles, or the closest job level to these roles.

Transferred	1	CONTINUE TO S3
Referred to someone else at establishment NAME _____ JOB TITLE _____	2	TRANSFER AND RE-INTRODUCE AT S3
Hard appointment	3	MAKE APPOINTMENT
Soft Appointment	4	
Wants reassurance email	5	GO TO S4
Wants reassurances	6	GO TO REASSURANCES
Refusal	7	CLOSE
Refusal – company policy	8	
Refusal – Taken part in recent survey	9	
Nobody at site able to answer questions	10	
Not available in deadline	11	
Engaged	12	

Fax Line	13	
No reply / Answer phone	14	
Residential Number	15	
Dead line	16	
Company closed	17	

WHEN THROUGH TO CORRECT RESPONDENT (S1 = 1) OR (S2 = 1)

S3 **Good morning/afternoon, my name is [NAME]. I'm calling from IFF Research, an independent research agency.**

We are conducting an important study on behalf of the Ministry of Justice (MoJ) and the Department for Business, Innovation and Skills (BIS).

The aim of the survey is to explore your views on, and any experience of, an Act that has been made law and the associated Government guidance. The survey is interested in any impact your people or company may have experienced as a result of the Act, as well as any professional advice you may have used and any procedures you may have in place. The information collected will be used to improve government's advice and engagement with small and medium sized businesses.

(IF ASKED) It would not be helpful to tell you what the specific Act is now as we want to understand your awareness of it – however, the Act will become obvious to you as we continue through the questionnaire.

INTERVIEWER: IF THE RESPONDENT INSISTS ON KNOWING WHAT THE ACT IS THEN TELL THEM IT IS THE BRIBERY ACT 2010. PLEASE CODE THIS AT THE FOLLOWING QUESTION.

The interview will take around 15 minutes of your time.

All the information we collect will be kept in the strictest confidence and used for research purposes only. It will not be possible to identify any individual or individual company in the results and the answers you give will not be traced back to you. All results will be considered at an aggregate level. We will not pass any of your details onto any other companies.

Can I just check that you have responsibility for making decisions about your company's strategy in relation to overseas business and that you are able to answer questions on this subject?

IF YES – IS CORRECT PERSON: Is now a convenient time for you to go through the interview?

IF NO – NOT THE CORRECT PERSON: Please can we be transferred to somebody at this organisation who can answer questions on this subject.

Continue		GO TO SECTION S5a
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Referred to someone else at establishment NAME _____ JOB TITLE _____	2	TRANSFER AND RE-INTRODUCE AT S3
Hard appointment	3	MAKE APPOINTMENT
Soft appointment	4	
Wants reassurance email	5	GO TO S4
Wants reassurances	6	GO TO REASSURANCES
Refusal	7	THANK AND CLOSE

THOSE WHO WANT A REASSURANCE EMAIL (S1 = 5) OR (S2 = 5) OR (S3 = 5)

S4 **Please can I take the best email address to send this to?**

RECORD EMAIL ADDRESS	1	MUST BE SAME BOTH TIMES TO CONTINUE
RECORD EMAIL ADDRESS	2	
RECORD CONTACT NAME	3	

THOSE WHO WANT A REASSURANCE EMAIL (S1 = 5) OR (S2 = 5) OR (S3 = 5)

S5 **You should receive that shortly. Would you like to continue with the interview now or should we arrange another time to call you back?**

Continue		IF S1 OR S2 = 5: GO BACK TO S3 IF S3 = 5: CONTINUE TO S6
Hard appointment		MAKE APPOINTMENT
Soft appointment		
Refusal		THANK AND CLOSE

This call may be recorded for quality and training purposes only.

REASSURANCES TO USE IF NECESSARY

The interview will take around 15 minutes to complete.

Please note that all data will be reported in aggregate form and your answers will not be reported to our client in any way that would allow you to be identified.

If respondent wishes to confirm validity of survey or get more information about aims and objectives, they can call:

- **MRS: Market Research Society on 0500396999**
- **IFF: Mark Tweddle, Research Executive: 0207 250 3035**
- **MoJ: Roderick Macauley, Bribery Act Implementation Manager: 02033345010**
- **BIS: Julius Urbutis, Economist, 02072156252**

APPEAR FOR ALL WHO SHOULD CONTINUE (S3 = 1 OR S5 = 1)

DO NOT ASK

S5a. Interviewers please code whether you have had to disclose the name of the Bribery Act or not

CODE – DO NOT ASK

Have disclosed name of Bribery Act	1	CONTINUE
Have not disclosed name of Bribery Act	2	CONTINUE

ASK ALL

S6 Before we begin I would just like to check, does your company currently export goods or services?

By this we mean selling goods and / or services abroad.

READ OUT. SINGLE CODE

Yes	1	GO TO SECTION A
No	2	GO TO S7

ASK THOSE WHO DO NOT CURRENTLY EXPORT (S6 = 2)

S7 Is your company considering exporting goods or services in the next 5 years?

READ OUT. SINGLE CODE

Yes	1	GO TO SECTION A
No	2	THANK AND CLOSE
DO NOT READ OUT: Unsure	3	THANK AND CLOSE

READ OUT TO THANK AND CLOSE S7 = 2 OR 3

Unfortunately we need to restrict our enquiries to businesses that currently export or are interested in and considering exporting in the next 5 years. Thank you very much for your time today.

A Company profile

ASK ALL

A1 **Firstly, how many people work across your organisation in the UK as a whole?**

By that I mean both full-time and part-time employees on your payroll, as well as any working proprietors or owners. Please include yourself and anyone who works for the organisation, even if they work in a different location or site to you. But do not include subcontractors or temps.

WRITE IN (minimum integer allowed is 1)	CODE INTEGER TO RANGE BELOW IF INTEGER > 250 PLEASE GO TO TEXT BELOW & THANK AND CLOSE
DO NOT READ OUT: Don't know exact number	CODE RANGE BELOW

A1RAN

IF A1 = DK: **Are you able to estimate by using the following ranges?** READ OUT. SINGLE CODE.

IF A1 = INTEGER GIVEN: CODE – DO NOT ASK: **Interviewer please code to range**

Less than 10 employees		MICRO
10-24		SMALL
25-49		
50-99		MEDIUM
100-149		
150-199		
200-250		
More than 250		THANK AND CLOSE

READ OUT TO THANK AND CLOSE MORE THAN 250 (A1 > 250) OR (A1RAN = 8)

Unfortunately we need to restrict our enquiries to businesses having 250 or less employees. Thank you very much for your time today.

ASK ALL

A2 **What is the main activity of your business?**

INTERVIEWER PROBE FOR THE FOLLOWING - START WITH FIRST PROBE AND ONLY USE THE OTHERS IF NECESSARY TO GET CLEAR INFORMATION

- What would you type into a search engine to find an organisation like yours online?
- What is the main product or service of this establishment?
- What exactly is made or done at this establishment?

WRITE IN. TO BE CODED TO 4 DIGIT SIC 2007.
DO NOT READ OUT: REFUSED

ASK ALL WHO CURRENTLY EXPORT (S6 = 1)

A3 **Which of the following regions does your business currently export to?**

READ OUT. MULTI CODE ALLOWED

Middle East		
Asia		
Africa		
Australia and Oceania		
Europe		
North America		
South and Central America		
DO NOT READ OUT: Don't know		
DO NOT READ OUT: Refused		

ASK ALL WHO CURRENTLY EXPORT (S6 = 1) AND ARE NOT A3 = 8 OR 9

A3a **And how many different countries do you export to?**

Only one	1	
Two	2	
Three	3	
Four	4	
Five or more	5	
DO NOT READ OUT: Don't know	6	
DO NOT READ OUT: Refused	7	

ASK ALL WHO CURRENTLY EXPORT WHO KNOW WHAT REGIONS EXPORT TO (A3 = 1-7)

A4 **Which specific country or countries within these regions does your company export to?**

WRITE IN		
DO NOT READ OUT: Don't know	1	
DO NOT READ OUT: Refused	2	

ASK ALL WHO CURRENTLY EXPORT TO MORE THAN ONE COUNTRY AND WHO KNOW WHERE THEY EXPORT (S6 = 1) AND (A3A IS NOT 1) AND (A3 IS NOT = 8 OR 9 OR A4 IS NOT = 1 OR 2)

A5 **And which country is your largest export market at present?**

WRITE IN		
DO NOT READ OUT: Don't know	1	
DO NOT READ OUT: Refused	2	

- ASK ALL WHO ARE CONSIDERING EXPORTING (S7 = 1)
- A6 **Which of the following regions is your business thinking of exporting to at some point in the next 5 years?**
READ OUT. MULTI CODE ALLOWED

Middle East		
Asia		
Africa		
Australasia		
Europe		
North America		
South and Central America		
DO NOT READ OUT: Don't know		
DO NOT READ OUT: Refused		

- ASK ALL WHO ARE CONSIDERING EXPORTING (S7 = 1) AND ARE NOT A6 = 8 OR 9
- A7 **Which specific countries within these regions are you considering exporting to?**

WRITE IN		
DO NOT READ OUT: Don't know	1	
DO NOT READ OUT: Refused	2	

B Awareness of the Act

ASK ALL

- B1 **Have you heard of the Bribery Act 2010?**
SINGLE CODE

Yes	1	
No	2	

ASK ALL AWARE OF BRIBERY ACT (B1 = 1)

- B1a **Are you aware that the Bribery Act 2010 has extra-territorial reach, i.e. captures bribery offences committed overseas?**

Yes	1	
No	2	

ASK ALL

- B2 **Are you aware that due to provisions in the Bribery Act your company could be liable for failing to prevent bribery if it does not have adequate anti-bribery procedures in place?**

By this we mean that companies can be liable if they fail to prevent someone who represents them - this could be someone working for them directly or a third party, such as an agent- from paying a bribe specifically to get business, keep business, or gain a business advantage, even if this takes place overseas. But if this does happen and comes to the attention of the UK authorities, a company has a full defence and avoids all liability if they can show that they have adequate anti-bribery procedures in place which are proportionate to the bribery risks faced by the company.

ADD IF NECESSARY: I would like to remind you that your answers will not be judged in anyway or passed on in a way that would identify yourself or your company

SINGLE CODE

Yes	1	
No	2	
DO NOT READ OUT: Don't know	3	

- ASK ALL AWARE OF BRIBERY ACT OR AWARE OF POTENTIAL LIABILITY (B1 = 1 OR B2 =1)
- B3 **In your opinion, does your company have sufficient knowledge and understanding of the Bribery Act to be able to implement adequate anti-bribery procedures?**
SINGLE CODE

Yes	1	
No	2	
DO NOT READ OUT: Don't know	3	

- ASK ALL
- B4 **Is there anything about your company's liability under the Bribery Act that you feel you currently do not have sufficient knowledge or understanding of?**
WRITE IN

WRITE IN		
Nothing that do not have sufficient knowledge or understanding of	1	
DO NOT READ OUT: Don't know	2	

C Ministry of Justice guidance

ASK ALL AWARE OF BRIBERY ACT OR AWARE OF POTENTIAL LIABILITY (B1 = 1 OR B2 =1)

C1 **Are you aware of the Ministry of Justice guidance about procedures companies can put in place to prevent bribery?**

SINGLE CODE

Yes	1	GO TO C2
No	2	GO TO SECTION D

ASK THOSE WHO ARE AWARE OF MOJ GUIDANCE (C1 = 1)

C2 **Have you read any of the guidance?**

SINGLE CODE

Yes	1	GO TO C3
No	2	GO TO SECTION D
DO NOT READ OUT: Don't know	3	GO TO SECTION D

ASK THOSE WHO HAVE READ THE MOJ GUIDANCE (C2 = 1)

C3 **How useful did you find the guidance?**

READ OUT. SINGLE CODE

Very useful	1	
Fairly useful	2	
Not very useful	3	
Not at all useful	4	
DO NOT READ OUT: Neither / nor	5	
DO NOT READ OUT: Don't know	6	

ASK THOSE WHO FOUND GUIDANCE NOT VERY/NOT AT ALL USEFUL (C3 = 3 OR 4)
C4 **Why didn't you find the guidance useful?**

WRITE IN		
Don't know	1	
Refused	2	

D Other guidance and associated costs

ASK ALL AWARE OF BRIBERY ACT OR AWARE OF POTENTIAL LIABILITY (B1 = 1 OR B2 =1)

- D1 **Have you used any other guidance [IF B1 = 1: about the Bribery Act or] about Bribery prevention? ADD IF NECESSARY: for example, the BSI 10500 standard?**

SINGLE CODE

Yes	1	GO TO D2
No	2	GO TO D3
DO NOT READ OUT: Don't know	3	GO TO D3

ASK THOSE WHO HAVE USED OTHER GUIDANCE (D1 = 1)

- D2 **What was the guidance that you used?**

OPEN ENDED

WRITE IN		
DO NOT READ OUT: Don't know	1	

ASK ALL AWARE OF BRIBERY ACT OR AWARE OF POTENTIAL LIABILITY (B1 = 1 OR B2 =1)

- D3 **And have you sought any professional advice [IF B1 = 1: about the Bribery Act or] about Bribery prevention?**

READ OUT. SINGLE CODE

Yes	1	GO TO D4
No	2	GO TO SECTION E
DO NOT READ OUT: Don't know	3	GO TO SECTION E

ASK THOSE WHO HAVE SOUGHT PROFESSIONAL ADVICE (D3 = 1)

- D4 **From which source or sources did you seek advice?**

DO NOT READ OUT. MULTI CODE ALLOWED

Lawyer	1	
Accountant	2	
Trade Association	3	
Specialist business consultant	4	

Other (specify)	5	
DO NOT READ OUT: Don't know	6	

ASK THOSE WHO HAVE SOUGHT PROFESSIONAL ADVICE (D3 = 1)

D5 **What advice did you receive from them?**

WRITE IN		
DO NOT READ OUT: Don't know	1	

ASK THOSE WHO HAVE SOUGHT PROFESSIONAL ADVICE (D3 = 1)

D6 **Approximately how much did your company spend on this advice in total, in Pounds Sterling (£)?**

ADD IF NECESSARY: If you do not know an exact figure a ballpark estimate is fine.

WRITE IN

WRITE IN £		
DO NOT READ OUT: Don't know	1	
DO NOT READ OUT: Refused	2	

ASK THOSE WHO HAVE SOUGHT PROFESSIONAL ADVICE (D3 = 1)

D7 **How useful do you consider the advice you received?**

READ OUT. SINGLE CODE

Very useful	1	
Fairly useful	2	
Not very useful	3	
Not at all useful	4	
DO NOT READ OUT: Neither / nor	5	
DO NOT READ OUT: Don't know	6	

ASK THOSE WHO DID FIND THE ADVICE USEFUL (D7 = 1 OR 2)

D8 **Why was the advice useful?**

OPEN ENDED

WRITE IN		
DO NOT READ OUT: Don't know	1	

ASK THOSE WHO DID NOT FIND THE ADVICE USEFUL (D7 = 3 OR 4)

D9 **Why did you not find the advice useful?***OPEN ENDED*

WRITE IN		
DO NOT READ OUT: Don't know	1	

ASK THOSE WHO HAVE SOUGHT PROFESSIONAL ADVICE (D3 = 1)

D10 **How would you rate the value for money of the advice you received?***READ OUT. SINGLE CODE*

Very good	1	
Fairly good	2	
Fairly poor	3	
Very poor	4	
DO NOT READ OUT: Neither / nor	5	
DO NOT READ OUT: Don't know	6	

E Bribery prevention procedures

READ OUT TO ALL

I would now like to ask a few questions about bribery prevention procedures. I would like to remind you that bribery prevention procedures are not obligatory under the Bribery Act 2010, and your answers will not be judged in anyway or passed on in a way that would identify yourself or your company.

ASK ALL

E1 **Has your company assessed the risk of being asked for bribes?**

ADD IF NECESSARY: For example this may be cash payments, gifts, donations, or goods in kind such as cigarettes or alcohol to speed things up, avoid routine procedures, improperly secure a business advantage, etc.

SINGLE CODE

Yes	1	
No	2	
DO NOT READ OUT: Don't know	3	

ASK ALL

E2 **Has your company put in place any bribery prevention procedures?**

This can be anything that you think helps prevent bribery.

SINGLE CODE

Yes	1	GO TO E3
No	2	GO TO SECTION F
DO NOT READ OUT: Don't know	3	GO TO E4

ASK THOSE WHO HAVE PROCEDURES IN PLACE (E2 = 1)

E3 **What bribery prevention procedures have you put in place?**

OPEN ENDED

WRITE IN		
DO NOT READ OUT: Don't know	1	
DO NOT READ OUT: Refused	2	

ASK THOSE WHO HAVE PROCEDURES IN PLACE OR DON'T KNOW (E2 = 1 OR 3)

E4 **May I check if you have any of the following procedures in place?** [IF E2 = 1 AND E3 IS NOT DK OR REF: I understand that you may have already mentioned some of these]

Please note that these are just example of possible anti-bribery measures, they are not mandatory

READ OUT. CODE ALL THAT APPLY

Oral briefing to communicate the need to prevent bribery	1	
Written staff policy documents that cover bribery prevention which are signed by staff	2	
Financial and commercial controls such as adequate bookkeeping, auditing and approval of expenditure	3	
The reporting of bribery including 'speak up' or 'whistle blowing' procedures	4	
Due diligence of existing or prospective associated persons	5	
Training or awareness raising about the threats posed by bribery in general and in the sector or areas in which the organisation operates.	6	
A top level commitment that the company does not win business through bribery	7	
Discipline processes and sanctions for breaches of the organisation's anti-bribery rules	8	
DO NOT READ OUT: None of the above	9	
DO NOT READ OUT: Don't know	10	

ASK THOSE WHO HAVE PROCEDURES IN PLACE (E2 = 1) OR (E2 = 3 AND E4 = 1-8)

E5 **Would you say that costs associated with bribery prevention costs are one-off costs or on-going costs?**

SINGLE CODE

One-off cost	1	
On-going cost	2	
Combination of one-off and on-going costs	3	
DO NOT READ OUT: There is no cost	4	
DO NOT READ OUT: Don't know	5	

- E6 ASK THOSE WHO HAVE PROCEDURES IN PLACE AND HAVE SOME COST (E5 = 1, 2 OR 3)
Approximately how much has your company spent so far on bribery prevention costs in Pounds Sterling (£)?

WRITE IN £		
DO NOT READ OUT: Don't know	1	
DO NOT READ OUT: Refused	2	

- E7 ASK THOSE WHO HAVE PROCEDURES IN PLACE AND ON-GOING COST (E5 = 2 OR 3)
Approximately how much would you say you spend on bribery prevention in a typical year, in Pounds Sterling (£)?

WRITE IN £		
DO NOT READ OUT: Don't know	1	
DO NOT READ OUT: Refused	2	

ASK WHO HAVE ANY OF THE LISTED PROCEDURES IN PLACE AND THERE IS SOME COST (E4 = 1-8) AND (E5 IS NOT 4)

E8 Approximately how much do you spend annually on each of the following bribery prevention procedures...?

ADD IF NECESSARY: If these were only one-off costs then please roughly average the cost by dividing it by the number of years the procedure has been in place

READ OUT. WRITE IN FOR EACH ONE.

	WRITE IN (£)	DO NOT READ OUT: Don't know
SHOW IF E4 = 1: Oral briefing to communicate the need to prevent bribery		1
SHOW IF E4 = 2 Written staff policy documents that cover bribery prevention which are signed by staff		1
SHOW IF E4 = 3 Financial and commercial controls such as adequate bookkeeping, auditing and approval of expenditure		1
SHOW IF E4 = 4 The reporting of bribery including 'speak up' or 'whistle blowing' procedures		1
SHOW IF E4 = 5 Due diligence of existing or prospective associated persons		1
SHOW IF E4 = 6 Training or awareness raising about the threats posed by bribery in general and in the sector or areas in which the organisation operates.		1
SHOW IF E4 = 7 A top level commitment that the company does not win business through bribery		1
SHOW IF E4 = 8 Discipline processes and sanctions for breaches of the organisation's anti-bribery rules.		1

ASK THOSE WHO HAVE PROCEDURES IN PLACE (E2 = 1) OR (E2 = 3 AND E4 = 1-8)

E9 Do you review company procedures to assess whether they are proportionate to the bribery risks faced by your company?

SINGLE CODE

Yes	1	GO TO E10
No	2	GO TO SECTION F
DO NOT READ OUT: Don't know	3	GO TO SECTION F

ASK WHO REVIEW PROCEDURES THEY IN PLACE (E9 = 1)
E10 **How regularly do these reviews take place?**
DO NOT READ OUT. SINGLE CODE

Monthly	1	
Quarterly	2	
Six monthly	3	
Annually	4	
Less often than every year	6	
DO NOT READ OUT: Other (specify)	7	
DO NOT READ OUT: Don't know	8	

F Facilitation payments

READ OUT TO THOSE THAT CURRENTLY EXPORTING (S6 = 1)

I would now like to ask you some questions about your awareness of the prevalence of bribery in practice. Again, I would like to remind you that the survey is confidential and anonymous - your company will not be identifiable.

ASK ALL THOSE THAT ARE CURRENTLY EXPORTING (S6 = 1)

- F1 **When selling goods or services abroad, have employees of your company, or agents associated with your company, ever been asked for cash payments, gifts, donations, or goods in kind such as cigarettes or alcohol that could be described as a bribe? For instance, to speed things up or avoid routine procedures.**

SINGE CODE

Yes	1	GO TO F2
No	2	GO TO SECTION G
DO NOT READ OUT: Don't know	3	GO TO SECTION G
Refused		

ASK THOSE WHO ARE AWARE OF FACILITATION PAYMENTS (F1 = 1)

- F2 **In which countries were you asked for these payments?**

WRITE IN		
DO NOT READ OUT: Don't know	1	
DO NOT READ OUT: Refused	2	

ASK THOSE WHO ARE AWARE OF FACILITATION PAYMENTS (F1 = 1)

- F3 **In your experience, how often would you say those representing you receive such demands?**
DO NOT READ OUT – BUT CAN USE TO PROMPT IF NEEDED. SINGLE CODE

All the time	1	
Fairly regularly	2	
Occasionally	3	
Or has this happened only once in your experience	4	
DO NOT READ OUT: Don't know	5	

G Impact on exports

ASK ALL AWARE OF BRIBERY ACT (B1 = 1)

- F4 **To what degree has the Bribery Act impacted on your company's [IF CURRENTLY EXPORTING S6 = 1: ability to export] [IF CONSIDERING EXPORTING S7 = 1: plans to begin exporting]?**
READ OUT. SINGE CODE

A large positive impact	1	
Some positive impact	2	
No impact at all	3	
Some negative impact	4	
A large negative impact	5	
DO NOT READ OUT: Don't know	6	

ASK ALL WHERE BEEN A POSITIVE IMPACT (G1 = 1 OR 2)

- F5 **In what way has the Bribery Act had a positive impact?**
OPEN ENDED

WRITE IN		
DO NOT READ OUT: Don't know	1	

ASK ALL WHERE BEEN A NEGATIVE IMPACT (G1 = 4 OR 5)

- F6 **In what way has the Bribery Act had a negative impact?**
OPEN ENDED

WRITE IN		
DO NOT READ OUT: Don't know	1	

ASK ALL AWARE OF BRIBERY ACT (B1 = 1)

- F7 **Do you have any other specific concerns or problems that you have or have experienced that are related to the Bribery Act 2010?**
OPEN ENDED

WRITE IN		
No specific concerns or problems	1	
DO NOT READ OUT: Don't know	2	

H Thank and close

ASK ALL

- F8 **Thank you very much for taking the time to speak to us today. Would you be willing for us to call you back regarding this particular study if we need to clarify any of the information?**

SINGLE CODE

Yes	1	
No	2	

ASK ALL

- F9 **The Department for Business, Innovation and Skills and the Ministry of Justice may be conducting further work to improve government's advice and engagement with small and medium businesses. Would you be willing for us to pass on your name and contact details to them so they could invite you to take part? Please note that there will be no obligation to take part. Your name and contact details will not be linked to any answers you have provided in this questionnaire.**

SINGLE CODE

Yes	1	
No	2	

IF CONSENT TO RE-CONTACT (H1 = 1) OR (H2 = 1)

- F10 **And could I just check, is [NUMBER] the best number to call you on?**

Yes	1	
No - write in number	2	

ASK ALL

- F11 **If it would be of use I can provide you with a web link which provides further information on the Bribery Act and bribery prevention for businesses – would you like me to give this to you?**

Yes	1	https://www.gov.uk/government/publications/bribery-act-2010-guidance
No	2	

ASK ALL

RECORD DETAILS OF RESPONDENT WHO COMPLETED INTERVIEW

Name:	
Job title:	
Email address:	
Region of company site:	As list below
ALLOW REFUSED OPTIONS FOR EACH	

And could you please tell me in which region your company is based?

SINGLE CODE. PROMPT IF NECESSARY.

North East	1	
North West	2	
Yorkshire & Humber	3	
East Midlands	4	
West Midlands	5	
East of England	6	
London	7	
South East	8	
South West	9	
Wales	10	
Scotland	11	
Northern Ireland	12	
DO NOT READ OUT: Refused	13	

THANK RESPONDENT AND CLOSE INTERVIEW

Finally I would just like to confirm that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct. Thank you very much for your help today.



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