

# All parties in the supply chain are compelled to adhere to Anti-Corruption Legislation



**No-one in the supply chain is allowed to offer, pay, request or receive bribes**

Most vendors require that anyone in the supply chain, including distributors, resellers and third parties, adhere to the following legislation (as a minimum):

- [United States Foreign Corrupt Practices Act \(FCPA\);](#)
- [United Kingdom Anti-bribery Act;](#)
- [South African Prevention and Combating of Corrupt Activities Act, 2003.](#)

## Why?

- Anti-corruption laws govern requirements for companies around bribery and corruption;
- Vendors are compelled by law to comply with this legislation;
- Vendors are obliged to ensure that everybody in the supply chain including distributors and resellers of their products adhere to these laws, **irrespective of the territory in which their products are sold.**

## What is it?

- Anti-corruption laws prohibit bribery by anyone in the supply chain in order to solicit a sale;
- Bribery and payments include cash, travel expenses, entertainment, additional side agreements, commissions or even sponsorships or contributions to organizations etc.;
- Anti-bribery regulations permit **reasonable** promotional, entertainment, and travel expenses for government officials. There is no set amount when a gift becomes a bribe. Violations are determined by intent and purpose of the gift, not its cash value;
- You cannot ignore what is done by third parties in the supply chain as **you are also liable**;
- "I did not know" is not an excuse; and
- Laws prohibit distributors, resellers and third parties or their agents are to sell goods to countries on banned countries list.

## What can happen?

- **Loss or cancellation of agreements and contracts;**
- Imprisonment; and
- Hefty penalties or fines imposed on all parties in the supply chain.

## Next steps:

- **The onus is on all staff to ensure that customers are appropriately informed and trained on anti-bribery legislation;**
- Please familiarize yourself with the requirements of anti-corruption legislation;
- Vendors' websites carry information or even training programmes;
- Understand the parties that you are involved with;
- Do proper due diligence on third parties before dealing with them;
- Be aware of possible red flags and trust your instincts; and
- You are required to ensure that your customers/resellers and agents are familiar with the requirements covering anti-corruption, and are properly trained on the topic.

