

## Labour and Employment Client Service Group

From Bryan Cave, London

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### The Bribery Act 2010 – Corporate Hospitality

The long-awaited UK Bribery Act 2010 comes into force today, making it an offence (punishable by unlimited fines for companies found guilty) for a person associated with an organisation (including its staff) to bribe a person or entity intending to obtain or retain business, or to obtain a business advantage. A defence is available if the organisation can show that it had "adequate procedures" in place to prevent bribery.

Of most concern to HR practitioners has been the ongoing debate surrounding corporate hospitality.

#### **No more free lunches?**

There has been some uncertainty - and real debate - as to what hospitality and/or gifts may be considered illegal. The legislation itself contains no rules, monetary limits or exemptions to provide guidance, and so each case will need to be decided on its own facts.

However, the Director of the Serious Fraud Office published guidance (in March 2011) stating that most routine and inexpensive hospitality, such as taking a client for lunch or drinks, will be considered bona fide and escape prosecution. In contrast, lavish or extraordinary hospitality, may be regarded as improper conduct, and therefore could expose an organisation to criminal action. As usual, common-sense and judgment will be key.

#### **Practical HR measures**

To the extent it has not already been done, HR should check that the following have now occurred:

- Publish an anti-bribery/corruption staff policy setting out the rules surrounding gifts and hospitality.
- Revise any expenses policies to identify when gifts and hospitality will require prior authorisation.
- Provide regular staff training.
- Put a system in place for staff to report suspicions of bribery.

In addition, breaches of any applicable policy should be dealt with appropriately and swiftly.

For more details and background information:

- See our note on 'UK Bribery Act Adequate Procedures and Joint Prosecution Guidance Published' (click [here](#)).
- Visit our dedicated Global Anti-Corruption/Foreign Corrupt Practices Act Webpage (click [here](#)).

To discuss how the UK Bribery Act 2010 may impact your business or for guidance on implementing practical HR measures, please speak to your Bryan Cave contact, or to:

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