

Anti-bribery policy

Export Credit Insurance (ECI), Dutch Good Growth Fund (DGGF), Dutch Trade and Investment Fund (DTIF)



General policy

In the Netherlands all forms of bribery are prohibited and punishable. The Dutch State and Atradius DSB do not under any circumstances wish to become involved in transactions in which bribery has taken place or will take place in any way. The anti-bribery policy and related procedure are aimed, among other things, at preventing and actively discouraging bribery by a Dutch exporter.

This anti-bribery policy is based on international rules as laid down in the Convention (1997)¹, Recommendation, (2009)² and Recommendation (2019)³ and supplemented by a number of national choices. The policy applies not only to those directly involved in a transaction (exporter c.q. applicant/third parties on behalf of exporter c.q. applicant/debtor), but also to those indirectly involved (e.g. the principal of a debtor or sponsors of a project, to which the transaction belongs). The policy applies to all applications, promises/advices of cover, policies and guarantees.

For the purposes of this policy, bribery is defined as offering, promising or giving, directly or through intermediaries, a financial or other advantage to a government official, foreign or otherwise, or a third party, in order to induce the official, for the benefit of that official or a third party, to do or refrain from doing anything in relation to the performance of his official duties in order to obtain or retain commissions or other improper benefits in international business transactions.

Procedure

a. Due Diligence

Atradius DSB informs its (prospective) policyholders in the application form, in the general terms and conditions, in brochures and on the website and requests from its customers all information as prescribed in art V (screening) of the Recommendation (2019). In all cases, information is requested on:

- The identity of exporter/applicant, of debtor and/or its principal and/or its guarantor and other relevant parties.
- The identity of the agent(s), working for exporter/applicant, the address of the agent, the relationship between exporter, agent(s) and buyer, the amount of commission/commission paid, the nature of the work done for it and in which country the commission/commission is paid.
- The identity of the Ultimate Beneficiary Owner(s) (UBO) of all relevant parties. If there are no UBOs, Pseudo-UBOs should be appointed.

Ultimate Interested Person/Ultimate Beneficial Owner (UBO): An individual who ultimately owns or controls a customer, or the individual on whose behalf a transaction or activity is conducted. Atradius DSB holds a percentage of 25% or more, or family members who together hold 25% or more of the shares or voting rights.

Pseudo-UBO: If there is/are no UBO(s), Pseudo-UBOs should be designated. These are all natural persons designated as statutory directors:

b. Risk inventory and assessment

ADSB assesses bribery risks based on seven risk categories. These categories are:

- **Geographic risk:** based on 'The Corruption Perceptions Index'⁴ (CPI) and the Global Corruption Index⁵ (GCI), we assess the risk of public and private bribery in a country in relation to the application.
- **Procurement & Licensing risk:** procurement procedures and/or direct award, may lead to a higher risk of bribery and corruption and are assessed.
- **Politically exposed Persons (PEP) risk:** assess whether a PEP is present and whether they use their own public influence or power to pursue and maintain their private interests.
- **Structure Risk:** Assess whether, among other things, layered and/or cross-border legal structures involving various legal forms and different jurisdictions (possibly countries with increased bribery risk) are present.
- **Transaction risk:** Assess whether there are indications of illicit financial flows.
- **Agent risk:** Transactions involving an agent may be particularly vulnerable to potential bribery. ADSB assesses whether the commission is a reasonable fee relative to the nature and scope of the work and also tests morality, expertise and experience of the agent and how exporter/applicant contracts the agent.
- **Adverse media:** assess whether signals of alleged corruption emerge from the public domain. The answers to the questions in the application form or from information otherwise obtained by Atradius DSB are also assessed.

¹ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (adopted on 21.11.1997). https://www.oecd.org/daf/anti-bribery/ConvCombatBribery_ENG.pdf

² OECD Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions (adopted on 26.11.2009) <https://www.oecd.org/corruption/anti-bribery/OECD-Anti-Bribery-Recommendation-ENG.pdf>

³ OECD Recommendation of the Council On Bribery and Officially Supported Export Credits (adopted on 13.03.2019); [https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=TAD/ECC\(2019\)2&docLanguage=En](https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=TAD/ECC(2019)2&docLanguage=En)

⁴ <https://www.transparency.org/en/cpi/>

⁵ <https://risk-indexes.com/>

For each application is assessed which risk categories are relevant and then is there are risk indicator(s) (red flag) within the relevant risk category. If a risk indicator is identified, Enhanced Due Diligence follows.

c. Enhanced Due Diligence (EDD)

A further investigation following an increased risk of suspected or credible suspicion of bribery or corruption. The investigation should be proportionate to the risk identified and aims to take additional measures to manage and where possible mitigate the risk.

Enhanced Due Diligence is applicable at least to the following cases:

1. If the risk assessment reveals a risk indicator, this is grounds for enhanced due diligence by Atradius DSB.
2. Exporter/applicant or third parties on behalf of exporter/applicant appears on the *debarment lists* of the World Bank Group, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development and/or the Inter-American Development Bank.
3. Exporter/applicant or third parties on behalf of exporter/applicant has been indicted before a Dutch or foreign court or in the five years preceding the application or has been involved in an investigation into possible bribery, has been convicted by a Dutch or foreign court or has settled in proceedings as a result of possible bribery.

As part of the EDD supporting documentation could be required; such as a code of conduct, company compliance policy, the applicant/exporter's risk assessment on the risk indicator, a legal opinion on direct awards and the agent agreement.

d. Risk classification and monitoring

The partial conclusions of the risk inventory and the results of the EDD are weighted and lead to the following risk classification:

- Normal: no significant risks have been identified or the risks present have been mitigated.
- High: risks have been identified that cannot be mitigated or cannot be mitigated adequately.
- Unacceptable: the risk of bribery is so high that it is not acceptable. The application will be rejected.

The outcomes Normal and High affect the timing of monitoring. Monitoring consists of a renewed screening of the known relevant parties possibly supplemented by the assessment of changes to the information provided in the application form.

- **Normal:** at least at every second renewal of the promise/advice of cover
- **High:** at least at every renewal of the promise/advice of cover

e. Consequences of credible suspicion of bribery or established bribery

If EDD reveals the existence of bribery by the exporter/applicant or third parties on behalf of the exporter/applicant or a credible suspicion of bribery in obtaining or executing a transaction offered for insurance, the application will be rejected. This may also be grounds for a (renewed) enhanced due diligence into other pending files of exporter/applicant.

If it is determined that bribery has occurred in an already insured transaction, pursuant to the relevant article of the General Conditions applicable to the insurance, the right to indemnification will lapse and any claim payment(s) already paid will be recovered. This will also trigger a renewed enhanced due diligence and review of further handling of other pending files

(applications, coverage promises, coverage recommendations and policies).

If (from the Enhanced Due Diligence) it emerges that there are concrete indications of involvement in bribery in the acquisition of or in the execution of the transaction to be insured or insured, this information will be transferred to the competent investigative authority.

f. Documentation

The following documentations required for each application:

- An organizational chart (structure) from applicant/insured (if relevant the guarantor/ joint venture and/ or consortium partners) up to the UBO (max. 6 months old).
- An organizational chart⁶ (structure drawing) of buyer/debtor (if relevant the guarantor and/or agent) up to the UBO (max. 6 months old).
- Proof of registration⁶ in the local Chamber of Commerce for the debtor/debtor. If registration is not required in the country of residence, any legal document confirming the existence of the company will suffice.

An anti-bribery statement must be signed by the applicant prior to issuance of the policy. The anti-bribery statement is part of the Insurance Agreement.

g. Obligations

To assess the risk of bribery and corruption, among other things, it is important that (prospective) insureds comply with the duty of disclosure that is part of the Insurance Agreement. There is also a right of inspection that can be used to verify that the insured complies with all its obligations under the Insurance Agreement. Failure to comply with these obligations may result in penalties such as loss of the right to indemnity or temporary suspension of claims. The General Conditions of Insurance describe the obligations and possible sanctions.

⁶ Not applicable for the products: stand-alone bond cover, stand-alone counter guarantee and the Fair Calling Facility.

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