

Corporate Compliance And Your Relocation Suppliers

Corporate compliance has been a complex phenomenon for businesses since it first appeared back in the 1970's. But does structuring policies to be compliant with customer needs have to keep us all awake at night, or are there simpler ways to understand and implement this confusing topic?

Starting at the very beginning is often useful and in this case sheds much light on how and why the issue of compliance has become so important.

In their most basic form, the goals of compliance are to prevent corruption and protect sensitive data. The anti-corruption aspect dates back to 1977 when the USA signed the Foreign Corrupt Practices Act into law to combat allegations of US multinationals of bribing foreign governments. The aerospace manufacturer Lockheed had been involved in some embarrassing business practices. It was revealed by one of their senior executives, that the company had paid \$22 million to Japanese government officials in trying to secure a contract. This was particularly irksome for the US government as they had just bailed out Lockheed with a loan of \$250 million and did not want to be perceived as assisting a US company via the taxpayer, in perverting the course of free trade. As a result of this law however, it became clear that US companies were acting at a disadvantage as they were playing by the rules when other governments had no such equivalent legislation. As a result of lengthy discussions at a global level, the 34 members of the Organisation for the Economic Cooperation and Development (OECD) enacted the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which makes bribery of officials a crime. This legislation was a clear signal to the corporate world that corruption via bribery was now globally perceived as not just unethical, but unacceptable.

However, the scope and breadth of compliance policies within corporations and how they apply to clients and suppliers is also governed (or not) by national legislation. Add to this a complex web of

cultural and social business norms, and we are faced with some very interesting dilemmas.

For example, a major mobility supplier operating in Germany will be aware that everyone is working to the same standards in terms of compliance, as EU and German domestic legislation is very clear on the legality of bribery and other areas key to implementing and working to, a strict compliance policy. Therefore no individual relocation company has an advantage over another.

The same situation may not apply in West Africa for example, where many questions arise. Where national legislation doesn't specifically address corporate bribery, where are the lines drawn and how does voluntary policing dictate what is and what isn't considered an inducement? Where business norms dictate that gift giving and receiving between suppliers and clients is not only acceptable, but an integral part of the business relationship, how does a company deal with offending a client or supplier? If gift giving is a cultural business norm, how should a company react? The answer is of course, by acting according to their internal anti-corruption policy. In discussions I've had while researching this article, the major mobility suppliers simply will not deal with a client who they feel is not acting according to the globally understood rules of anti-corruption, even if it means that they fail to win an important account. This is of course best practice and the whole reason why the area of corporate compliance exists in the first place. But nature abhors a vacuum and where one supplier will not accept a contract, another clearly will.

Under the EuRA Global Quality Seal one of the requirements is for all certified companies is to work according to an anti corruption policy. The introduction makes the scope of the policy clear;

"Our corporate conduct is based on our commitment to acting professionally, fairly and with integrity. Our company does not tolerate any form of bribery and corruption."

This is then defined within the policy,

and it's here that the issue of compliance can become a grey area. Corporate gift giving is common in most regions of the world but where does a gift become a bribe? And how do companies interpret the rules under their policies around this?

Our industry is inherently social. Clients and suppliers frequently form strong friendships and gift giving in these circumstances raises some hotly debated issues. While talking to EuRA members about this, I came across a wide divide between what is and is not acceptable. One member gave the example of one of their account managers being given a very thoughtful gift from a client on the birth of her first child. Unfortunately under the strictly interpreted policy this had to be put into the company's charitable auction fund. In other companies, any gifts are subject to a financial limit. I volunteer for a charity supporting adults with learning difficulties living in the community and we have a no-exceptions policy that gifts may not be accepted at all where the value is over £5. In EuRA, we cannot accept gifts that have a value over €25, but as we all know, there is a very fine line between implementing a policy like this and causing offence, as we work with cultures from across the globe all of whom have different norms surrounding gift giving.

The other area of compliance that is affecting our members on a daily basis is data security and integrity and in 2013 we added a further policy to the EGQS to cover this area.

In our discussions with both RMC's and HR managers via our involvement with national HR mobility bodies, we have been told in no uncertain terms, that this is an area of great concern. Mobility providers hold enormous amounts of very sensitive data about transferees, from passport and identity numbers, to salary and bank account details. As technology moves forward and the incidences of hacking increase, we all need to be sure that our systems are secure and that everyone with access is working under a rigorously enforced confidentiality agreement. Passwords for accessing systems should not be shared, something which most offices have until recently,

been very lax about. Portable data storage must be secure and staff working remotely via laptops, must ensure that access to centralised online data is available only to them. Again talking with colleagues and members, it is clear that this is an area of concern for clients as in the past it has not been taken seriously. But in the light of recent events, with major corporations such as Amazon and LinkedIn becoming prey to hacks which brought down their systems, having an IT specialist check for gaps in the integrity of your system is key.

There is no doubt that the subject of compliance is here to stay and it's a safe bet to assume that it will only grow and affect more and more of our working lives. Already companies are becoming nervous of their employees' personal online profiles and it may not be long before we see compliance policies regulating the personal scope of their employees' online social networking. How do you know if

your Facebook friend is really genuine or a corporate competitor looking for small nuggets of information? How will employers react to these kinds of new risk? The EuRA staff and council, for example, are asked not to post pictures of any meeting that may give away the location of a future conference!

Our world is changing fast and the more cloud-based data becomes, the easier it may be for it to be accessed without our knowledge. As changing patterns of world trade alter the western notions of acceptable behaviour in terms of bribery and corruption, it remains to be seen whether strict adherence to the correct forms of doing business as laid down by the OECD, will be a barrier to the compliant and a godsend for the corrupt. But to me, the issue comes down to treating others' as you would like to be treated yourself and if that's what compliance means, it's really quite simple.



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