

Awareness Program Anti-bribery

Compliance Anti-Money Laundering & Environment

Sace S.p.A.





Anti-bribery legal framework

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The international law is directly binding for SACE since it has been incorporated under Italian law



OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions signed in Paris on December 17 1997 and in force in Italy since December 15 2000 (L. September 29 2000 n. 300)



Art. 322 bis of the Italian Criminal Code «Bribery of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organizations and of officials of the European Communities and of foreign States»



Art. 25 Legislative Decree 231/2001 «Embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office»



Recommendation OCSE on Bribery in Officially Supported Export Credits del 13 marzo 2019
Recommendation of the Council for OECD Legal Instruments Further Combating Bribery of Foreign Public Officials in International Business Transactions del 26 novembre 2021

Why: stakeholders's awarness-raising

In line with the OECD's Phase IV evaluation exercise on the implementation in Italy of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and with the specific OECD Recommendations, SACE raises awareness among its external and internal stakeholders regarding international corruption

Awareness-raising in the private sector for the purpose of preventing and detecting foreign bribery

What: Internal policies and responsibilities

Internal Regulation



Creation of the independent Anti-Money Laundering & Export Control Function. Identification and appointment of the SOS Delegate



Code of Ethics and Legislative Decree 231/2001 Management Model



Anti-Money Laundering *Policy*



Export Control *Policy*

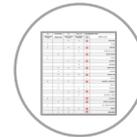


Know Your Customer *Digit Flow*

Operational Tools



Money laundering risk assessment tools and foreign operations of counterparties tools

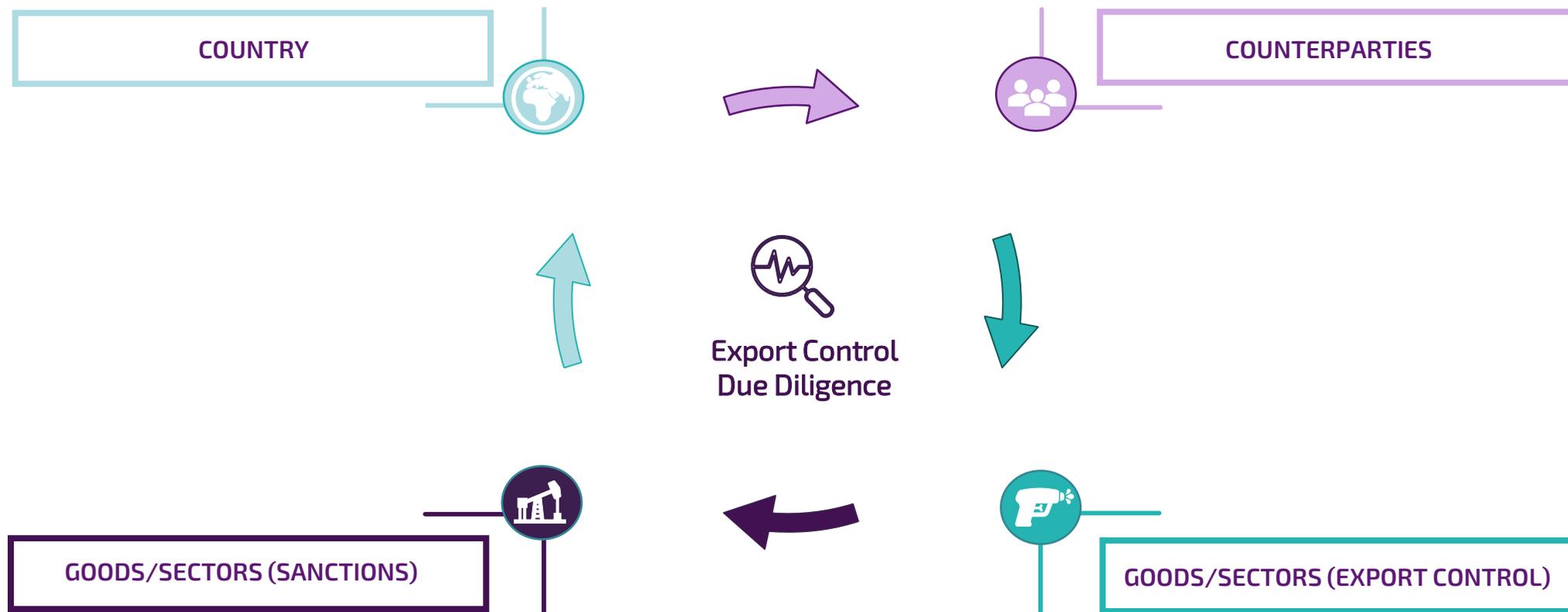


List of high-risk countries and countries subject to restrictive measures imposed by the EU and the US



How: Anti-bribery Due Diligence

The risk is attributed to counterparties and to the operation on the basis, among others, of the following elements of evaluation

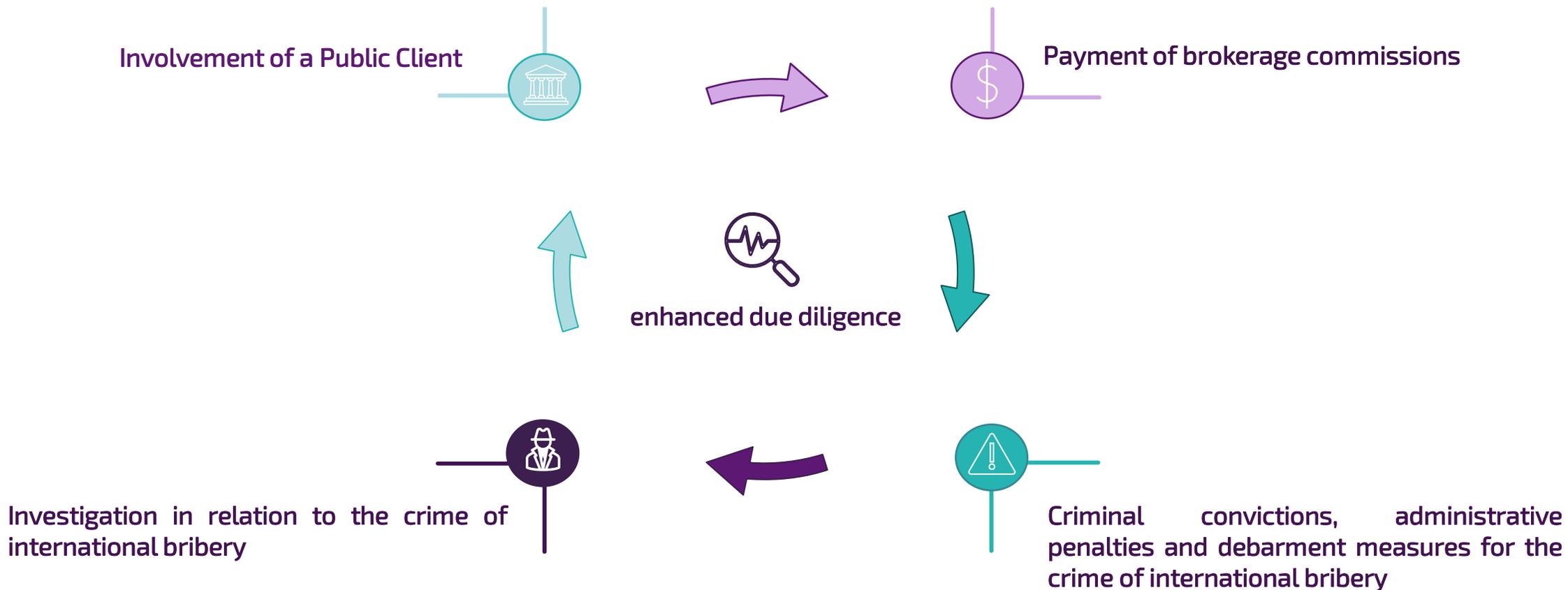


Checks are carried out both during the preliminary phase (the so called ONBOARDING) and during the operation lifetime (the so called MONITORING)



How: Anti-bribery enhanced due diligence

When does SACE have to activate enhanced due diligence?



Checks are carried out both during the preliminary phase (the so called ONBOARDING) and during the operation lifetime (the so called MONITORING)



Anti-bribery enhanced due diligence

1) Involvement of a Public Client



Example of due diligence

- Acquisition of more information regarding the bidding process for the contract
- Acquisition of a legal memorandum formally attesting to the compliance of the award with local regulations



Anti-bribery enhanced due diligence

2) Payment of brokerage commissions

Cases

Involvement of counterparties acting as insurance/financial intermediaries, agents/brokers

Payment of costs as brokerage fees exceeding 5% of the total value of the business contract



Example of due diligence

- Insights into the **ownership and control structure** of the intermediary
- Acquisition of the **agency contract** signed between the exporter and the intermediary
- Acquisition of information on the **nature of the relationship** between the exporter and the intermediary (e.g., **fiduciary relationship** or only **occasional**)



Anti-bribery enhanced due diligence

3) Criminal convictions, administrative sanctions and debarment measures for the crime of international bribery





Anti-bribery enhanced due diligence

3) Criminal convictions, administrative sanctions and debarment measures for the crime of international bribery – *focus on debarment* measures issued by the World Bank

The World Bank has determined that certain specific **fraudulent** and **corrupt** conducts may be sanctioned by the Bank itself. These measures are defined as "**debarment measures**", having essentially **interdictory** character.



What does Sace need to verify?



Does the Project underlying SACE's intervention **involve funding provided by the World Bank**?



How long is the measure effective?



Under what conditions can the Counterparty be exempted from the debarment measure?



Does the measure state **corrective measures** of internal processes to be implemented by the Counterparty (e.g., "**integrity compliance programs**")?



Anti-bribery enhanced due diligence

4) Investigation in relation to the crime of international bribery

Cases

Involvement of one of the counterparties in international bribery investigations **if there is reasonable doubt** of the issuance of a **criminal conviction, debarment measure, or administrative sanction**



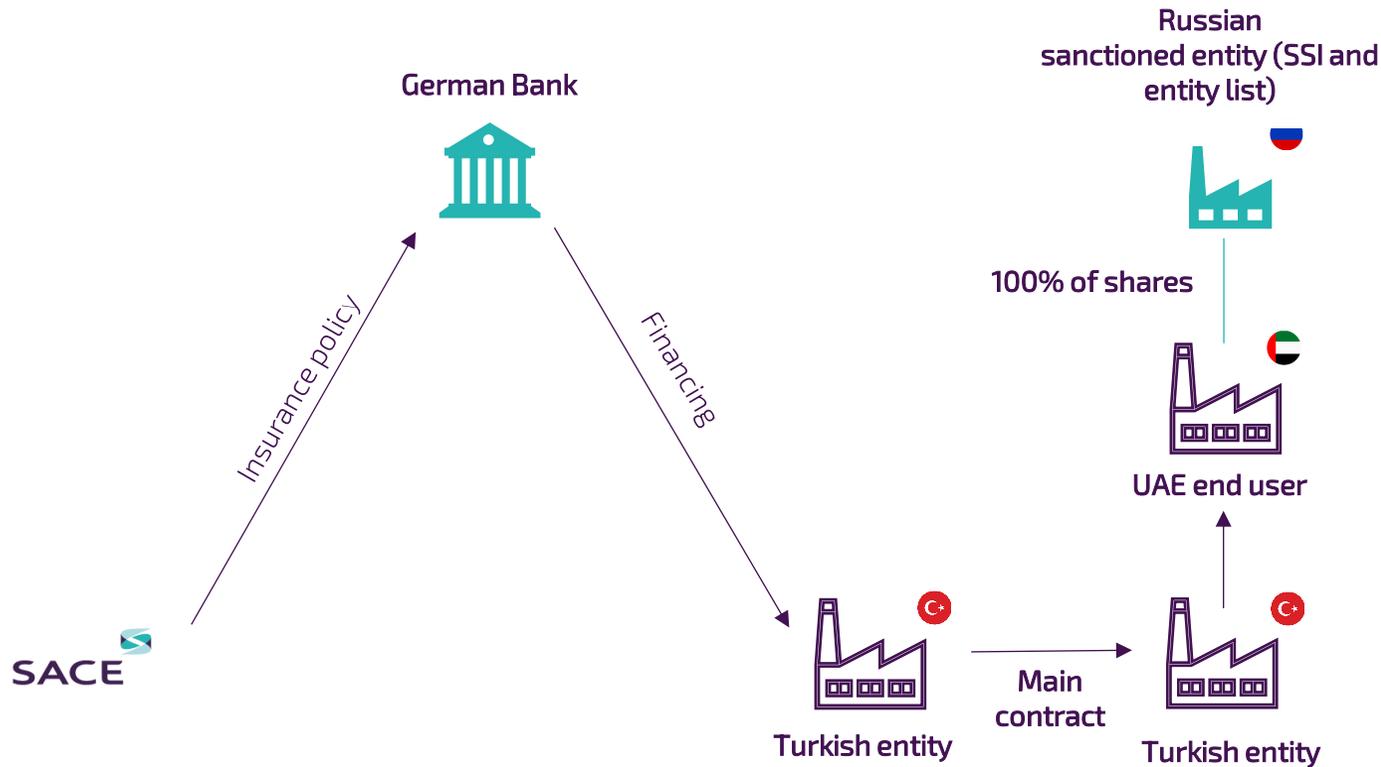
Example of due diligence

- Verification of the **inherence** of the criminal conducts in relation to the Project guaranteed by SACE
- Acquisition of a **legal memorandum** attesting the **possible developments** in the proceedings and the **risk of imposition of penalties**



Case studies

Onboarding phase



Export Control Due Diligence

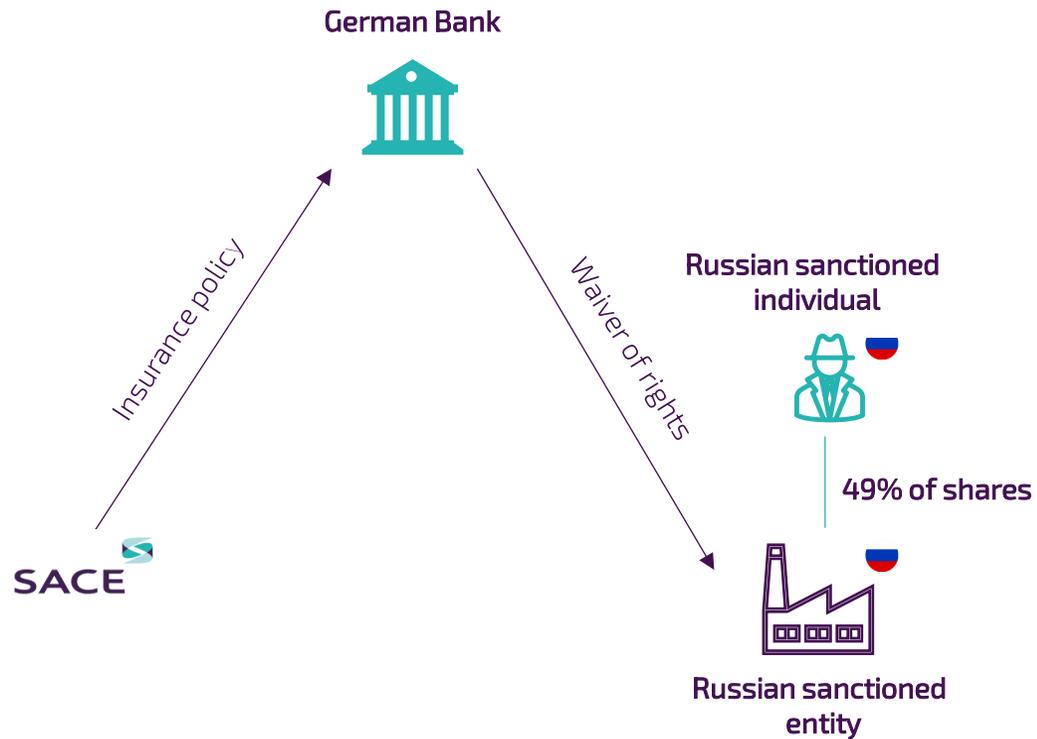
- Checks to ensure the absence of
 - ✓ US nexus
 - ✓ US origin products
 - ✓ Special Petrochemical projects
- Provision of specific contracts clauses (e.g. to ensure that the financing at hand is not used for oil&gas projects in Russia)





Case studies

Monitoring phase



Export Control Due Diligence

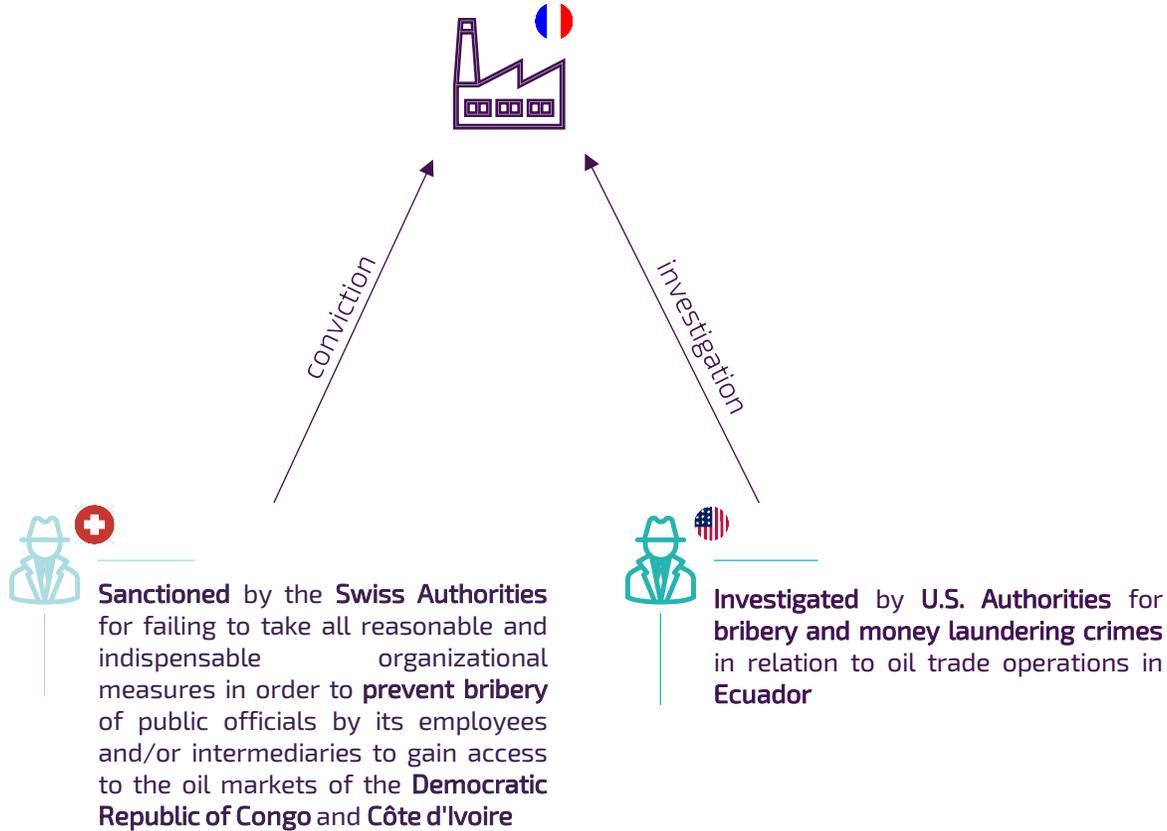
- The russian entity is
 - ✓ SDN listed
 - ✓ not EU sanctioned
- The russian individual is
 - ✓ SDN listed
 - ✓ EU sanctioned
- According to EU law the russian individual might «control» the entity and thus, extending his sanctions on the latter
- The waiver of rights may represent an **advantage** for the sanctioned entity





Case studies

French oil company



Enhanced Due Diligence

- Acquisition of **documentation** that (i) **proves** that corrective internal measures have been taken to **prevent** corruptive and fraudulent practices, and (ii) **excludes** the presence of the entity in the **lists of enterprises banned** by the World Bank or other multilateral financial institutions.
- **Assignment** of an "High" AML & Export Control **risk** and, therefore, 1) **acquisition** of the approval of the relationship entry by **CBOs** and 2) **implementation** of the counterparty **monitoring** by COA-AEC





Case studies

German Renewable Energy Company



debarment



Inclusion on the World Bank **debarment list** and subsequent **disqualification** from participating in **projects** and **operations financed by any World Bank institution** for a period of 15 months with an additional 6 months of non-conditional disqualification. The measure was taken in connection with **collusive and fraudulent conducts** in the context of 2 World Bank-funded Projects in **Pakistan** and the **Democratic Republic of Congo**

Enhanced Due Diligence

- **Ascertainment** that the corruptive/fraudulent practices are **not inherent** to the Project underlying SACE'S intervention and that in the Project are **not involved** World Bank funding
- **Acquisition** of a **legal memorandum** formally attesting to the **compliance** of the award **with local regulations**
- **Ascertainment** the the entity has introduced «**integrity compliance programs**»
- **Assignment** of an "High" AML & Export Control **risk** and, therefore, 1) **acquisition** of the approval of the relationship entry by **CBOs** and 2) **implementation** of the counterparty **monitoring** by COA-AEC

