

## News

# Updated code to prevent corruption in business

27 August, 2020

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**The Swedish Anti-Corruption Institute has revised the *Code to Prevent Corruption in Business* (“the Code” or “the Business Code” as it is also referred to). The revised Code applies since 14 August 2020.**



Although the provisions on bribery in

the Criminal Code were reformed in 2012, the provisions are still centered around the wording “undue advantage”, a concept that can be difficult to define in practice. The Code serves as a self-regulation and supplements the Criminal Code in the sense that it provides an overall view of an ethically justifiable way of dealing with various situations. The Code is also meant to serve as a tool to prevent corruption.

Companies that comply with the Code shall adopt preventive measures against corruption, e.g. by statements from the management and by regular risk analysis, internal rules and systems for reporting (whistleblowing). These measures are further explained in the first part of the Code. The second part of the Code covers the definition on the term “benefit” (undue benefit or undue advantage). It also contains guidance and practical examples on how a business should evaluate whether a benefit is permitted or non-permitted. The Code distinguishes between three types of situations. First, situations concerning the exercise

of public authority and public procurement. Second, situations where the recipient is in the public sector and/or in publicly-financed activities when there is no exercise of public authority or public procurement. In this respect, "public sector" means activities financed by taxes and charges carried out by a public body and by corporations owned by the state, municipalities or regions. "Publicly-financed activities" means activities in which the state, a municipality or a region provides financial compensation for the operation itself. Examples of publicly-financed activities include private health care, education and social care. Thirdly, situations where the recipient is in the private sector.

The third part of the Code deals with intermediaries. The bribery legislation requires companies to carry out adequate due diligence on persons and organizations that represent the company. If the due diligence is inadequate, liability for so called negligent financing of bribery may arise. The Code requires companies to have systems for due diligence of intermediaries, including systems for risk assessment, control and evaluation of intermediaries.

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The Code can be found here <https://www.institutetmotmutor.se/english/>