



CKR GLOBAL
RISK SOLUTIONS

Tackling Corruption Risk: Practical Solutions to Operational Challenges

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Agenda



Stakeholders – Why you should care



The Changing Regulatory Landscape



Implications – The real cost of bribery and corruption



Managing the Risks

Stakeholders

Board Members

Executive Leadership

Fund Managers

Investors

The Changing Regulatory Landscape

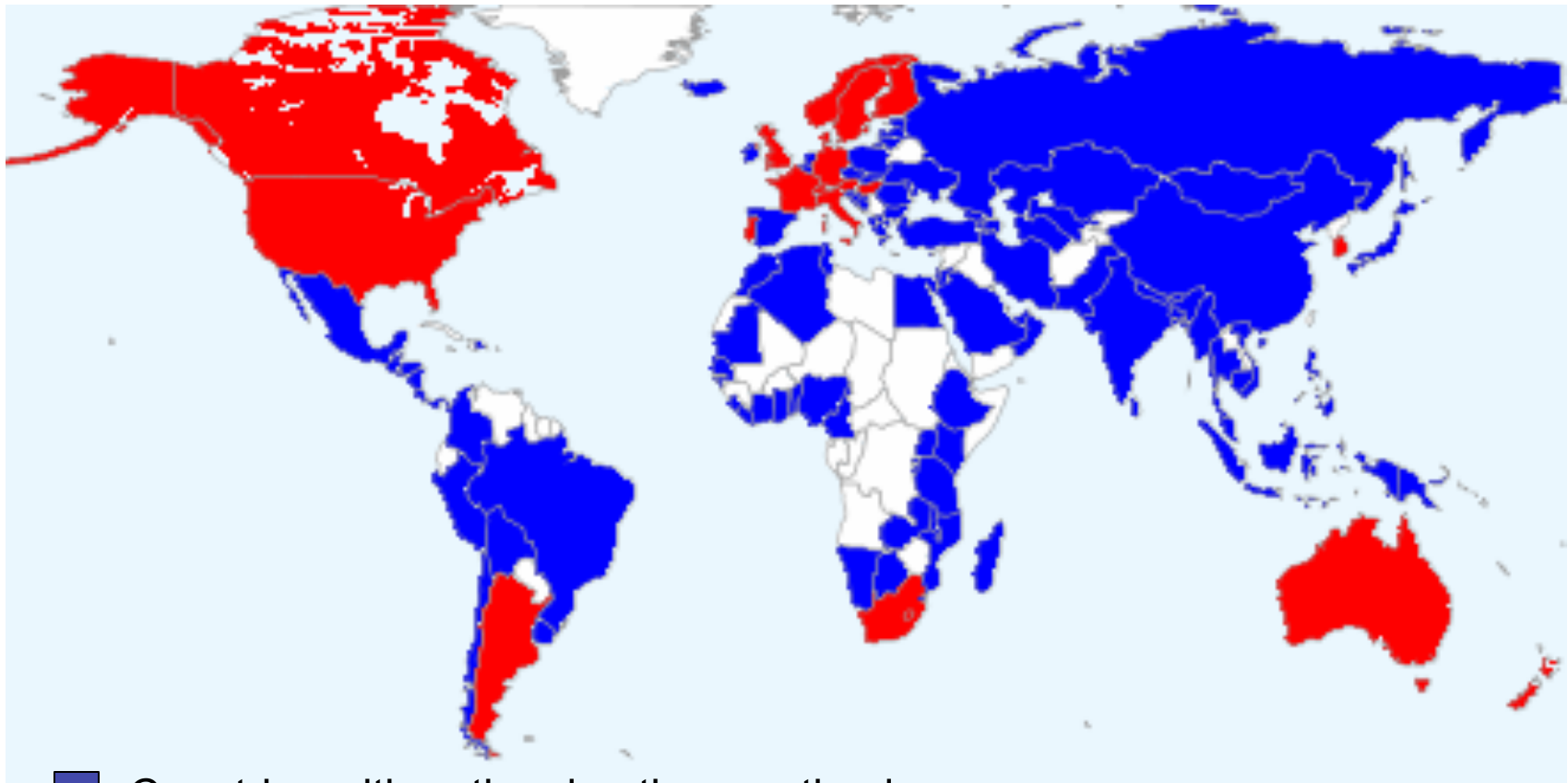
**Not your grandfather's
business environment**

**OECD Convention
UN Convention**

**Where is there a recent
uptick in enforcement
and why?**

**Countries that cost
companies most for
investigations:
UK, US, and
increasingly CAD**

Global Legislation and Enforcement Overview



- Countries with national anti-corruption laws
- Countries that are enforcing

The CFPOA

Corruption of Foreign Public Officials Act

- Implemented February 1999
- Modeled on the FCPA
- Criminal law

Perception

- Until recently seen as lacking teeth

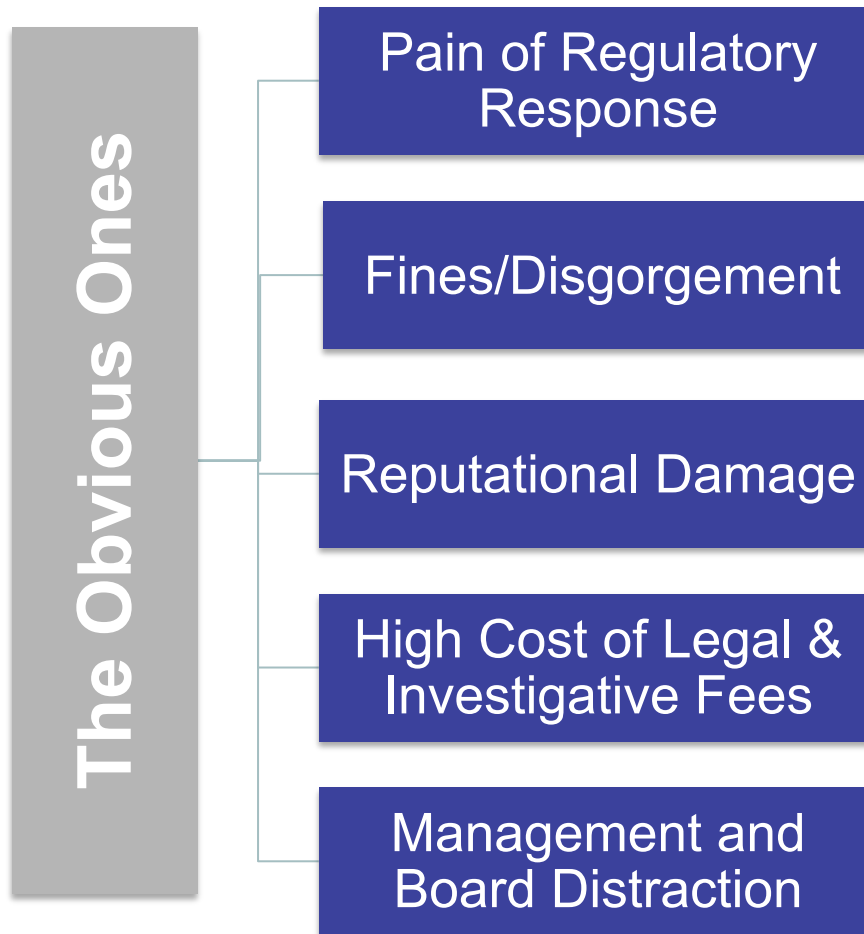
Enforcement Environment & Amendments

- Dedicated RCMP unit since 2008
- 2013 amendments (S-14)
- Books and records offence
- Stricter penalties

Cases

- 4 convictions (Niko, Griffiths, Karigar, Hydro Kleen)
- 35+ investigations
- Charges laid in SNC Lavalin cases

Implications – The Real Cost



Implications – The Real Cost

**The Not So Obvious
(& Potentially More Costly)**

Debarment
from World
Bank &
ancillary
regional
banks

Access to
Capital

Decrease in
Share Price
(Asset
Valuation)

Timing of
Deal often
Delayed

Culture of
Acquired
Company

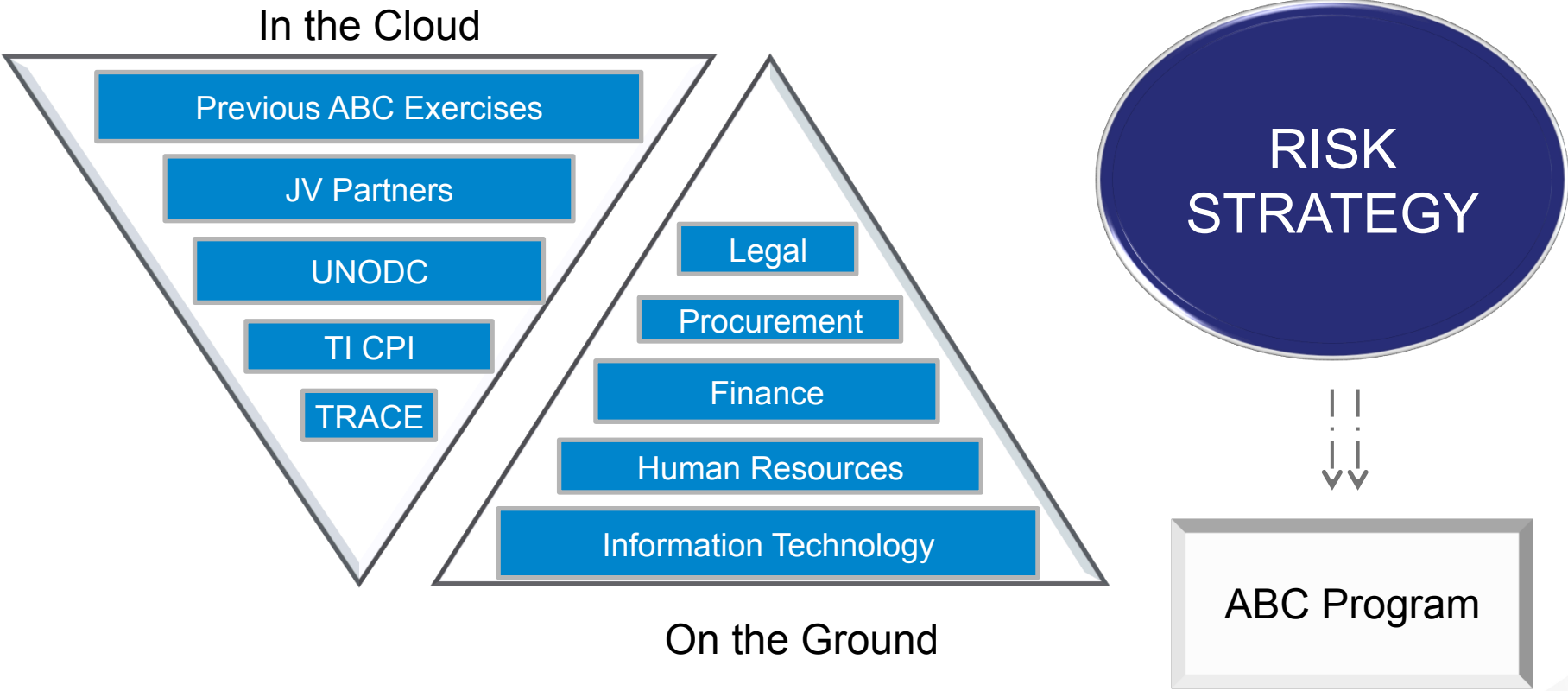
Liability
(Successor,
Board,
Personal)

Investors
pull out or
sue/ deal
is called
off

Where is
Co left
when
buyer
walks
away

How to Manage the Risks – A Practical Approach

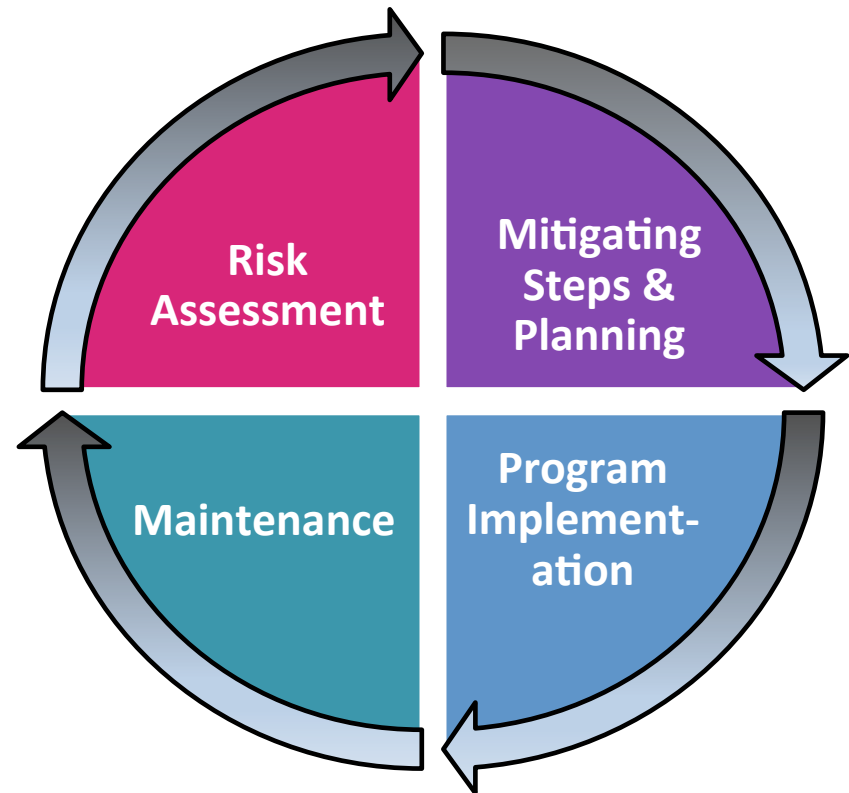
Risk Based Assessment – A Top Down and Bottom Up Approach



Tying It All Together

Prevention

- Program Design – Should be tailor fit
- Key stakeholder involvement – internal and external
- Program composition, implementation, training, stress testing, and ongoing maintenance



Recap

The CFPOA
is here to stay

Corruption
costs are
often hidden
and
unpredictable

Adequate
procedures
are the new
norm –
willful
blindness no
defence

A
Preventative
approach is
good
business

QUESTIONS

