

**AUGUST 13, 2021**

Mr. Drago Kos  
Chair, Working Group on Bribery in International Business Transactions  
Organisation for Economic Co-operation and Development (OECD)

**Re: Recommendation for Further Combating Bribery  
of Foreign Public Officials in International Business Transactions**

Dear Mr. Kos,

IFAC (International Federation of Accountants) welcomes the opportunity to comment on the OECD's draft revisions to the Recommendation for Further Combating Bribery of Foreign Public Officials in International Business Transactions (Anti-Bribery Recommendation). As the global voice of the accountancy profession, IFAC represents over 180 Professional Accountancy Organizations in 135 jurisdictions, thereby representing over three million professional accountants worldwide.

IFAC—and the global accountancy profession that we represent—strongly supports the work of the OECD and others in advancing the fight against bribery, corruption, money laundering and other financial crimes. Supporting and contributing to this fight are central to our mission as an organization and central to the accountancy profession's public interest mandate.

IFAC's commitment to fighting financial crime, including bribery, corruption and money laundering, is detailed in our [Point of View: Fighting Corruption and Money Laundering](#). Financial crimes are a major threat to economic stability and growth, in every region and every country. Every day, IFAC, our member bodies, and their member professional accountants, work alongside government, regulators, law enforcement and international bodies to combat bribery, corruption, tax evasion, money laundering and the financing of international terrorism.

IFAC is a proud member of Business at OECD and supports their broader response to the Anti-Bribery Consultation.

IFAC supports the Anti-Bribery Recommendation and the OECD's efforts to ensure that it is as effective as possible. IFAC looks forward to supporting the revised Anti-Bribery recommendation when finalized. With this in mind, we provide the following comments on the draft text, with particular reference to Section XXIII. Accounting Requirements, External Audit, and Internal Controls, Ethics and Compliance.

The draft Anti-Bribery recommendation rightfully emphasizes the importance of ethics. The global accountancy profession is governed by the [International Code of Ethics for Professional Accountants](#) (the IESBA Code), set by the [International Ethics Standards Board for Accountants](#) (IESBA). IESBA is an independent standard-setting board that develops, in the public interest, high-quality ethics standards and other pronouncements for professional accountants worldwide.

Of particular relevance to the Anti-Bribery Recommendation is a standard within the IESBA Code entitled Responding to Non-Compliance with Laws and Regulations, otherwise known as [NOCLAR](#). This standard sets out a framework to guide auditors and other professional accountants in what actions to take in the public interest when they become aware of a potential illegal act committed by a client or employer. The NOCLAR standard came into effect on July 15, 2017. Over 80 jurisdictions have adopted it or are working to adopt it, including, among the G20, Australia, Brazil, China, Germany, India, Indonesia, Japan, the Russian Federation, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom and the United States.



The standard applies to all categories of professional accountants, including auditors, other professional accountants in public practice, and professional accountants in organizations, including those in business, government, education, and the not-for-profit sector. It addresses breaches of laws and regulations that deal with matters such as fraud, corruption and bribery, money laundering, tax payments, financial products and services, environmental protection, and public health and safety.

The NOCLAR standard provides a clear pathway for auditors and other professional accountants to disclose potential non-compliance situations to appropriate public authorities in certain situations without being constrained by the ethical duty of confidentiality. It also places renewed emphasis on the role of senior-level accountants in business in promoting a culture of compliance with laws and regulations and prevention of non-compliance within their organizations.

As such, through leveraging the extensive roles and activities of professional accountants worldwide, the NOCLAR standard represents a far-reaching mechanism that will support effective operationalization of the provisions of the draft Anti-Bribery Recommendation in Sections XXIII B. Independent External Audit and C. Internal Controls, ethics and compliance. We therefore suggest that the Anti-Bribery Recommendation explicitly recognize the important supporting role of this standard in the global fight against bribery and corruption.

We also suggest that the Anti-Bribery Recommendation more directly recognize the role and importance of professional bodies, such as Professional Accountancy Organizations, in adopting and implementing robust ethics standards for their members, as professional bodies are critical allies in the fight against bribery and other financial crimes. This would be appropriate in the text of Section XXIII and, in particular, in Annex II Good Practice Guidance on Internal Controls, Ethics and Compliance B) Actions by Business Organisations and Professional Associations. We would also suggest that the language in Annex II B) be expanded beyond “development of effective internal control, ethics, and compliance programmes,” and encompass the role that professional bodies and their members play throughout business and the public sector.

As an independent global standard setter, IESBA has no authority to require jurisdictions to adopt its standards. IESBA’s standards become effective and enforceable on individual professional accountants and accounting firms only when they are adopted by the relevant Professional Accountancy Organization, national standard setter or other competent authority. IFAC supports the adoption and implementation of IESBA’s high-quality ethics standards. Indeed, working toward the adoption of IESBA standards, including NOCLAR, is a required commitment of Professional Accountancy Organizations as part of [IFAC membership](#). This adoption work is overseen by IFAC’s Membership Compliance Program. Support for the adoption of IESBA standards from organizations such as the OECD will strengthen these efforts and drive high-quality ethics standards worldwide.

Finally, we believe that the NOCLAR standard, and the IESBA Code more broadly, is a model for all professions—particularly [gatekeeper professions](#)—as well as companies and governments looking to enhance their ethical framework. IFAC and IESBA look to engage with the OECD and others to advance the cause of professional ethics in support of the fight against corruption, bribery, and other financial crimes.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Dancey", is written over a light blue circular watermark that contains the IFAC logo.

Kevin Dancey, CEO IFAC