



## Fraud Prevention, Anti-Bribery and Corruption Policy

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## Document Control

This is a CONTROLLED document and updates or changes to this document are authorised and then made available on Law Debenture's intranet.

It is UNCONTROLLED when printed. You should verify that you have the most current version. It is suggested that you check the Staff Handbook & Policy Library on the intranet for the latest version.

Review Date:	Review Completed by:	Reason for change:
August 2019	Compliance Officer	Handbook update
October 2020	Risk and Controls Consultant	Annual Update
November 2020	General Counsel	Review

## Overview

The Law Debenture Corporation p.l.c. and all of its subsidiary companies (the "Group") are committed to conducting their business fairly, honestly and with transparency and in compliance with all legal and regulatory obligations. We expect all Law Debenture directors, employees and anyone acting on our behalf to do the same and to maintain the highest standards of ethical business behaviour. However, all organisations face the risk of things going wrong from time to time. A culture of openness and accountability is essential in order to prevent such situations occurring and to address them when they do occur.

## Scope

This policy applies to all persons working for us in the Law Debenture Group, or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located. All users must understand and adopt use of this policy and are responsible for ensuring the safety, security and compliance of Law Debenture's policy, procedures and systems.

In this policy, "third party" means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

## Statement

We take a zero-tolerance approach to fraud, bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter fraud, bribery and corruption.

We will uphold all laws relevant to countering fraud, bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by UK laws, including the Fraud Act 2006 (the "FA 06"), the Theft Act 1968, the Bribery Act 2010 (the "BA 10") and common law, in respect of our conduct both at home and abroad. Law Debenture has an Incident Management Policy and Procedures should they wish to report any concerns and also provides whistleblowing facilities to all employees. The Law Debenture Whistleblowing Policy can be found on the [Staff Handbook and Policy Library](#) on the intranet.

The directors of Law Debenture endorse this policy and will review it annually to ensure it remains an effective way to counter fraud, bribery and corruption. This policy may be reviewed periodically, particularly when new issues or legislation emerge.

The aim of this policy therefore is to:

- Set out our responsibilities, and of those working for us, in observing and upholding our position on fraud, bribery and corruption.
- Provide information and guidance to those working for us on how to recognise and deal with any fraud, bribery and corruption issues.

It is a criminal offence to offer, promise, give, request, or accept a bribe or to be involved or perpetrate a fraudulent or corrupt act. Individuals found guilty can be punished by up to ten years' imprisonment and/or a fine. As an employer if we fail to prevent bribery, we can face an unlimited fine, exclusion from tendering for public contracts, and damage to our reputation. We therefore take our legal responsibilities very seriously. Further, any breach of our policies or statements will be treated with the utmost seriousness and will be likely to result in disciplinary action, which may include dismissal on the grounds of gross misconduct (or contract termination as appropriate). Relevant criminal and regulatory authorities may also be advised of the breach.

## Responsibilities

- The board of directors of The Law Debenture Corporation p.l.c. has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- The General Counsel's team has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering bribery and corruption.
- Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it. Management should inform the General Counsel of any incidents or reported incidents.
- The General Counsel's team has responsibility for maintaining a log to record incidents and reports as per the Incident Management Policy and Procedures.

## Fraud

Under UK law (the FA 06), there is a general offence which sets out three ways by which fraud can be committed:

- Fraud by false representation. A representation is false if it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading.
- Fraud by failing to disclose information.
- Fraud by abuse of position. This applies to those occupying a position in which they are expected to safeguard, or not to act against, the financial interests of another person. This offence could be applied to a situation where a trustee, fiduciary or agent defrauds the person(s) to whom they owe relevant duties.

In each case, the offence is to act dishonestly with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

Examples of fraud include, but are not limited to:

- Theft. E.g. identity theft.
- Misuse of funds. E.g. falsifying expenses.
- False accounting. E.g. falsifying financial documents.
- Supplying false information. E.g. providing false references or failing to notify the business of a criminal record.

The offence is punishable for individuals by up to ten years' imprisonment.

## Bribery

Under UK law (the BA 10), bribery is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

Law Debenture operates the following principles:

- Any offer to pay a bribe, or actual payment of a bribe, or offer or actual provision of a gift or item of value for improper purpose – i.e. to obtain or retain business or any other benefit – is strictly prohibited.
- Hospitality, gifts, or anything of value received and not declared in accordance with the gifts and hospitality rules (set out below) are strictly prohibited.
- Any payments made to third parties to procure or secure business (so called "facilitation payments") must be authorised in advance by the CEO and such authorisation will be forthcoming only where the payment is transparent and strictly necessary. Further details of facilitation payments can be found below.
- Anyone who becomes aware of suspected fraud or corrupt incidents, or that a bribe may have been offered or received by any other director or employee or by a third party acting on Law Debenture's behalf, has a duty to report that knowledge under the Group's Incident Management Policy and Procedures, a summary of which is set out below and should they wish to, the Whistleblowing Policy.

A conviction for bribery or corruption is punishable for individuals by up to ten years' imprisonment. If a company is found to have taken part in bribery, a fraudulent act, corrupt practices, or does not have in place adequate procedures to prevent such fraudulent or corrupt acts or bribery, it could face an unlimited fine and be excluded from certain business contracts. Reputational damage could be incalculable.

## Facilitation Payments and Kickbacks

Under the BA 10, facilitation payments were introduced as an offence - bribery of foreign public officials. This should not, on the whole, be problematic for Law Debenture. However, some care will be needed since it is theoretically possible that certain "facilitation payments" may be made from time to time on our behalf.

Facilitation payments are unofficial payments made to public officials to secure or expedite the performance of a routine or necessary action such as customs clearance. While the UK Ministry of Justice accepts that facilitation payments may be necessary from time to time, companies could be prosecuted if such payments are repeated, planned for, or are an accepted practice within the company.

To avoid any doubt, any facilitation payments (or any suspicion that a payment we are being asked to make might be a facilitation payment) must be referred to the CEO for pre-approval before such payment is made. Such authorisation will be forthcoming only where the payment is transparent and strictly necessary.



## Gifts, Entertainment and Hospitality

Corporate entertaining, including giving and receiving small gifts, is common business practice to help build and develop business relationships and, in moderation, can be mutually beneficial and not objectionable. However, care must be taken to avoid any accusation that normal business practice has not crossed the line to become something like bribery. We do not make contributions to political parties.

To mitigate the risk of prosecution under the BA 10, particularly in respect of the corporate offences, companies are required to have in place adequate procedures to ensure that no person who is associated with a company (i.e. employees and third parties) bribes another person with the intention of obtaining or retaining business, or an advantage in the conduct of business for the company.

The below also sets out the Group's procedures in this respect, including the strict limits of what you are and are not able to do, offer or accept in such circumstances as well as what you must never give or accept.

### Gifts

You must comply strictly with the below:

- Giving or receiving cash is not permitted. As such, beware of offering or accepting cash or anything that can be used in lieu of cash, such as vouchers or discount coupons.
- It may be fine to offer, or accept, something of token or novelty value - e.g. a diary, a cheap pen, a calendar or flowers on a birthday - but beware of anything more valuable, such as theatre tickets, expensive wine or items of jewellery.
- In some societies, gift giving is a cultural or customary practice even in business. The gifts offered may be of substantial value and you may be obliged to accept them to avoid giving offence. If this happens, you should seek guidance from your line manager as soon as possible after accepting the gift. To avoid any potential misunderstanding or allegations of bribery, such gifts may be donated to charity or raffled internally, with the benefits given to a Group-nominated or authorised charity. Please do speak to your line manager or the General Counsel if you have any concerns about the above.

Please see below for the financial thresholds for what is and is not allowed and what entries in the Gifts, Hospitality and Expenses Register ("GHER") must be made with respect to giving or receiving gifts.

### Entertainment and Hospitality

You must comply strictly with the below:

- You may accept and offer business hospitality, such as meals and entertainment, provided it has a legitimate business purpose, and the expense is reasonable, proportionate and transparent.
- You must not offer hospitality if it could be seen to influence the recipient improperly.
- You must not offer hospitality when bidding for a tender or dealing with a public official (foreign or domestic).

- The Law Debenture colleague hosting the event should be present during the hospitality - otherwise it becomes a gift.

Please see below for the financial thresholds for what is and is not allowed and what entries in the GHER must be made with respect to hospitality.

## How To Report Gifts, Entertainment and Hospitality

You should report to your Business Head all gifts and invitations to “outings”, e.g. visits to sporting events, theatre, opera and concerts or hospitality, **even if you have to decline**, and you should obtain approval from your Business Head if you wish to accept. Business Heads should report to/seek approval from the CEO. The CEO should report to/seek approval from the Chairman.

## Gifts, Entertainment and Hospitality Register

Law Debenture maintains a record of benefits received by employees and applicable third parties. This is maintained by the Company Secretary.

Whether the gift/hospitality is accepted or declined, you must follow the procedure set out below:

- Obtain clearance from, or in the case of a gift report it to, your Business Head (or as above for Business Heads and the CEO).
- Complete the GHER form in Appendix A, which should then be signed by you and your Business Head (or as above for Business Heads and the CEO).
- Send the completed GHER register form to the Company Secretary.
- The Company Secretary will update the GHER accordingly.

If it is considered that the gift is excessive or inappropriate, you may be asked to return it or surrender it to the company or donate it to charity, but this is likely only in very exceptional circumstances.

## Financial Thresholds

The below replies to the giving/offering or receiving of any gifts or hospitality.

Item	Value	Procedure
Pens, diary, other branded promotional items	Under £25	No reporting required
Gifts	Over £25, under £100	Prior approval not required, but a GHER form must be completed
Gifts	Over £100, under £500	Prior approval must be obtained and a GHER is required, even if declined
Gifts	Over £500	Should not be offered or accepted in normal circumstances and a GHER is required, even if declined
Outings/Hospitality	Under £100	Prior approval not required, but a GHER must be completed
Outings/Hospitality	Over £100, under £500	Prior approval must be obtained and a GHER is required, even if declined

Outings/Hospitality	Over £500	Should not be accepted in normal circumstances and a GHER is required, even if declined
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## Lunches, Dinners, Receptions etc.

Lunches, dinners and receptions attended in the normal of course of business need not be declared unless they are in some way unusual (e.g. your host uses the occasion expressly to induce you to do, or not do, something that you believe is inappropriate).

## Corporate Hospitality or Gifts provided to Third Parties by Law Debenture

It is not currently normal Law Debenture practice to offer corporate hospitality or gifts. Any such offers will only be made with the advance approval of the CEO. Lunches and dinners offered to third parties by Law Debenture employees and associated persons in the normal course of business are not subject to any formal recording process but you should consider as a matter of prudence clearing such offers in advance with your Business Head (both as an expenditure monitoring check and as a means to ensure that anything being offered is appropriate).

## What Types of Gift/Hospitality are Never Acceptable?

Certain gifts and hospitality should **never** be given or accepted. These include:

- Gifts and hospitality that have been requested by our clients or other third parties.
- Cash or cash equivalents (such as gift cards or gift vouchers).
- Anything that is illegal, unsavoury or sexual in nature.
- Anything that is received on the basis of a quid pro quo (i.e. on the basis that it is conditional upon receiving something in return).
- Anything that might give rise to a perception or suspicion that the recipient has been unduly influenced.
- Gifts or hospitality which are lavish or extravagant.
- Gifts or hospitality offered during a tender or bid process, to or from any party involved.
- Gifts or hospitality which is recurring, regular and/or could be part of a reciprocal arrangement.

## Donations and Sponsorship

As a part of our commitment to corporate social responsibility, Law Debenture may make donations, and sponsor various activities and events. However, we take care that such donations and sponsorships are not used as, or perceived to be, bribes.

At times, you may be asked by a client, politician or official to support a good cause or sponsor something that they are involved with. Such situations present risks and must be managed according to our policies and procedures:

- We make donations and sponsorships strictly in line with our policies (we do not ordinarily make any political contributions or sponsor any event known to be associated with a politician).
- We do not contribute to or sponsor organisations where a client or potential client is involved and we have a current bid.



- We will not sponsor any activity in which a foreign public official has an interest – this could be an offence under the BA 10.

## Other Occupations

Law Debenture employees must not, without the CEO's prior consent, engage in or carry on for profit or gain or be otherwise interested in, any other trade, business or occupation during the period of your employment with Law Debenture or hold any directorships in companies other than those in the Group.

## How to Raise a Concern

You are encouraged to raise concerns about any issue or suspicion of fraud, bribery or corruption at the earliest possible stage.

If you are offered a bribe, or are asked to make one, or if you believe or suspect that any fraudulent activity, bribery, corruption or other breach of this policy has occurred or may occur, you must report it in accordance with the Incident Management Policy and Procedures as soon as possible.

If you are unsure about whether a particular act constitutes fraud, bribery or corruption, raise it with your line manager or in accordance with the Incident Management Policy and Procedures as soon as possible.

If you think there has been an incident involving a breach of this policy you should:

- Report to your line manager.
- Complete the [Incident Event Log](#) (which can be found in the [Staff Handbook and Policy Library](#) on the intranet) and then append and email it to [Incident@LawDeb.com](mailto:Incident@LawDeb.com). This should be submitted as soon as possible and **not later than 24 hours** of becoming aware of the event or incident.
- Incidents can also be reported by **phone to 0207 696 5299** during business hours in the UK.

Further details can be found in the Incident Management Policy and Procedures in the [Staff Handbook and Policy Library](#) on the intranet. If you have further concerns please consult the Whistleblowing Policy on the intranet.

## Protection

Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform your line manager

immediately. If the matter is not remedied, and you are an employee, you should raise it formally using the Incident Event Log on the Staff Handbook and Policy Library as per the Incident Management Policy and Procedures or in line with the Group' Whistleblowing Procedures, which are confidential.

## **Training and Communication**

Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary. Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

## Appendix 1 - GIFTS, HOSPITALITY AND ENTERTAINING REGISTER FORM

Date of event/receipt of gift

Name of employee

Donor

Description of gift/hospitality

Purpose, if known  
(e.g. speaking at conference, business relationship etc.)

Signature: .....

Name and signature of Department Head who has, where appropriate, approved it or to whom it has been reported

.....  
NAME

.....  
SIGNATURE

.....  
DATE

Accepted/Declined (delete as appropriate)

Once Complete please send a copy to [TSU.Cosec@lawdeb.com](mailto:TSU.Cosec@lawdeb.com)