

# The University of Nottingham

## Anti-Bribery Policy

### 1. POLICY STATEMENT

1.1 The University of Nottingham (the "University") has a zero-tolerance policy towards bribery and corruption of all kinds.

1.2 The University is committed to carrying out its academic and business functions in a fair, honest, ethical and open manner. This policy applies to all of our dealings, anywhere in the world, with both public officials and those in the private sector.

1.3 The policy consists of two straightforward rules that all employees of the University (and others working for the University) must strictly adhere to:

- ✘ **Do not offer, promise or pay bribes**
- ✘ **Do not request, agree to or accept bribes**

1.4 In this context, a 'bribe' includes money, gifts, hospitality or any other payment, advantage or favour (see further below, 'What is a bribe?').

1.5 The risks of corruption are not always obvious. To ensure compliance with the above rules, you should adhere to the following principles at all times:

- ✘ Do not offer any money, gift, hospitality or other payment or advantage to someone (or favour them in any other way) if you know that this will involve someone in misuse of their position (or them performing their functions improperly).
- ✘ Do not misuse your position (or perform your functions improperly) in connection with any money, gift, hospitality or other payment or advantage (or other favours) for yourself or others.
- ✘ Do not offer any money, gift, hospitality or other payment or advantage to any foreign public officials (or favour them in any other way) with the intention of influencing them so that the University may win or retain business or any kind of business advantage.

### 2. APPLICATION

2.1 The purpose of this policy is to:

- 2.1.1 Set out the University's responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption;
- 2.1.2 Provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues;
- 2.1.3 Provide specific guidance on what is expected of those working for us in our overseas campuses;
- 2.1.4 Set out the University's processes on the receipt or giving of gifts and hospitality;
- 2.1.5 Provide detailed guidance to University staff on resisting demands for facilitation payments; and
- 2.1.6 Ensure that the University's financial operation complies with anti-bribery regulations.

- 2.2 This statement of policy is adopted by the University's Council which has overall responsibility for ensuring this policy complies with our legal and ethical obligations and to ensure everyone at the University complies with it. At the University of Nottingham Ningbo China (UNNC) this statement of policy has also been adopted by the University Joint Venture Board and by the authority of its Provost. The Provost and Joint Venture Board at the University of Nottingham Malaysia Campus (UNMC) have approved and adopted an earlier version of this policy which contains the same provisions for all matters affecting UNMC. [Note: where there is a conflict in the terms between the two versions, this policy takes precedence].
- 2.3 In applying this policy, the University will observe the provisions of the UK Bribery Act 2010 (the "Bribery Act") which has international reach and applies to the University's overseas campuses and to business, research and other activities conducted overseas in addition to any applicable local laws. This policy takes specific account of the anti-bribery regulations which apply under local laws in China and Malaysia. The US equivalent legislation, the Foreign Corrupt Practices Act, also extends beyond national borders and in some instances will apply to activities carried out by or on behalf of the University.
- 2.4 The Registrar has global responsibility for this policy and for dealing with any queries in relation to it. For the purposes of the Bribery Act, the Registrar is the University's Bribery Act compliance officer. For UNNC and UNMC local responsibility for this policy falls to their respective Provosts. Management at all levels within the University are responsible for promoting this policy and ensuring those reporting to them are made aware of and understand this policy.

### 3. **WHO IS COVERED BY THE POLICY?**

- 3.1 This policy applies to the University of Nottingham in the United Kingdom, to UNNC and to UNMC and the term 'University' means each of these entities, individually and collectively as the context requires.
- 3.2 This policy applies to all individuals working for or on behalf of the University at all levels, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, seconded staff, agency staff, volunteers, trainees, interns, agents, sponsors, whether they are located in the UK, China or Malaysia, or otherwise engaged in University work anywhere in the world.
- 3.3 The policy also applies to any other person associated with the University, who performs services for and on behalf of the University anywhere in the world. This includes the University's joint venture partners, agents, brokers, sub-contractors, representatives, distributors, consultants and other service providers. The University expects those persons to abide by this policy or have in place equivalent policies and procedures to combat bribery and corruption.
- 3.4 To help communicate our expectations of others, this policy will be made available to our commercial and other partner organisations and disseminated to others with whom we work. This means in many cases the policy should be discussed with any party whom the University is considering doing business with to ensure they understand our standards as an organisation.

### 4. **WHAT IS A BRIBE?**

- 4.1 A bribe does not need to be a monetary sum. For example, lavish hospitality or a gift or an offer of employment could all be used as bribes in certain circumstances. It can be any form of improper inducement or reward offered, promised or provided in order to gain (or to reward) any commercial, contractual, regulatory or personal advantage.
- 4.2 A recipient of a bribe does not need to benefit personally. For example, they could nominate another party to be given an advantage.
- 4.3 Actual payment of a bribe does not need to occur for there to be a criminal offence. An offer or request would be sufficient.

- 4.4 A person can be guilty of giving or receiving a bribe under the Bribery Act if there was an intention to induce or reward "improper performance" of a function or activity through offering, promising or paying a bribe. What is proper or improper is judged objectively. It is no defence to rely, for example, on local customs or norms as justification for making a payment that would otherwise be considered a bribe.
- 4.5 Sometimes offering or making a payment (or performing some other favour) can be a Bribery Act offence – where the payment or favour is in itself improper. The recipient does not necessarily need to do anything else as a consequence.
- 4.6 The Bribery Act also contains a separate offence of bribing a foreign public official; as well as an offence that can be committed by organisations of failing to prevent bribery by any person performing services for or on behalf of the organisation.

## 5. **BRIBERY PENALTIES**

- 5.1 Bribery offences carry very serious sanctions. Under the Bribery Act, sanctions can include up to 10 years' imprisonment for individuals and unlimited fines for organisations. Under local laws in China and Malaysia, additional sanctions apply.
- 5.2 Involvement in a bribery investigation, or a conviction of a bribery offence, would result in significant reputational damage for the University. It may also prevent the University from tendering for certain contracts or debar it from future business opportunities.

## 6. **WHAT ARE THE POTENTIAL CORRUPTION RISKS THAT CAN AFFECT A UNIVERSITY?**

- 6.1 The possibility of corruption can arise across a wide range of a university's activities and dealings with third parties. Some example situations are listed at **Appendix 1** to this policy.
- 6.2 Those working for the University should be alert to corruption indicators, and report concerns if they arise in their activities for or on behalf of the University.
- 6.3 Appendix 1 also lists some scenarios which indicate an increased risk of a bribery offence being committed and which should therefore be reported immediately using one of the mechanisms set out below in this policy. All staff should familiarise themselves with these corruption indicators and red flags so that they are alert to risks that may be relevant to their work at the University.

## 7. **GIFTS AND HOSPITALITY**

- 7.1 This policy does not prohibit modest gifts and reasonable hospitality (given and received) to or from third parties provided certain rules and requirements are met.
- 7.2 All staff should adhere strictly to the following three anti-bribery rules in respect of gifts, hospitality and entertainment:
- ✘ Never offer, promise or give a gift, hospitality or entertainment where this may be construed as a bribe or be otherwise improper.
  - ✘ Never request, agree to or accept a gift, hospitality or entertainment where this may be construed as a bribe or be otherwise improper.
  - ✘ Never offer, promise or give a gift, hospitality or entertainment to a public official where this may be construed as a bribe or an attempt to influence the public official in his/her capacity as such – and remember that public officials may include employees of state owned entities (see Foreign Public Officials below).

### 7.3 Gifts, hospitality and entertainment (whether given or received), must:

- Be approved in advance and recorded in a Gifts and Hospitality Register, if it falls outside certain limits (see below for details). Members of staff at the University of Nottingham in the UK should also refer to the policy on Conflicts of Interest, Gifts and Hospitality: <http://www.nottingham.ac.uk/hr/guidesandsupport/universitycodesofpracticeandrules/conflictsofinterest,giftsandhospitality.aspx>;
- Be proportionate and reasonable having regard to the recipient and not give rise to any ethical concerns. In other words, it should have a genuine and legitimate purpose, such as the promotion of the University's services or to establish cordial relationships with those with whom we work;
- Not risk being perceived as lavish or excessive (for example, it should not include any unjustifiable "add-ons" such as the provision of travel, or entertainment of spouses or family members);
- Comply with all applicable local laws as well as the Bribery Act (if given or received outside of the UK) and comply with any other rules relevant to the recipient (such as their own organisation's policies in this area);
- Not be offered or received at an inappropriate time (such as during a competitive tender involving the recipient or in advance of another business decision the recipient is involved with), which might risk being perceived as improperly influencing the recipient;
- Never include cash or a cash equivalent, such as gift certificates or vouchers; and
- Be given openly, not secretly; and be correctly and transparently documented in the University's accounting and other written records.

7.4 Because of the higher corruption risks that can arise in certain jurisdictions, parts of the policy have particular relevance to the University's international activities. For **staff working at UNNC and UNMC**, it is a requirement of this policy that they should read and adhere to the additional guidance in Appendices 6 and 7 to this policy.

### 7.5 What are Gifts?

Gifts include any token of appreciation and gratitude, gift vouchers, cash, physical gifts (e.g. a bottle of wine) or other items of value (e.g. sports tickets) – whether offered, given or received.

### 7.6 What is Hospitality and Entertainment?

Hospitality and entertainment can include any attendance at social events, conferences, functions, or other occasions, business lunches or drinks (whether they include a business purpose or not and whether received or offered) and any travel or accommodation provided in connection with the hospitality and entertainment.

### 7.7 Academic Activities (Admissions and Awards)

It will not be appropriate to accept any gift or hospitality from any third party who is concerned with, or has an interest in the recruitment or admission of a student or students to the University; or the award of any academic qualification or grading, by the University, of a student. This could be an offer made by the student themselves or by a third party, such as a relative or a recruitment agent.

It will also not be appropriate to request or to accept a request for an award of an academic qualification outside of the University's established procedures and in circumstances where the honour could be perceived as a bribe.

## 7.8 Other Activities

Guidance on gifts, hospitality and entertainment is set out in **Appendices 2 and 3**.

## 7.9 Approval and limits

For gifts, hospitality and entertainment staff need to obtain prior approval for accepting or offering gifts, hospitality and entertainment of a certain level or involving particular categories of recipient. Full details are set out in **Appendix 4**. In summary, the exceptions (i.e. when approval is **not** required) are set out below.

- For Gifts (given or received) approval is required in all cases **except**:
  - (a) In the UK, no approval is required for offering any gift under £50 or accepting a gift under £140, or for symbolic gifts/corporate memorabilia of low financial value. It is only likely to be appropriate to receive a low value corporate memorabilia level gift from a supplier or potential supplier.
  - (b) In Malaysia, with persons working in the private sector, no approval is required for any single gift under 50 MYR or symbolic gifts/corporate memorabilia of low financial value.
  - (c) In China, with persons working in the private sector, no approval is required for symbolic gifts/corporate memorabilia of low financial value.
- For Hospitality and Entertainment (given or received) approval is required in all cases **except**:
  - (d) In the UK, no approval is required for any hospitality under £50 per person entertained.
  - (e) In Malaysia, with persons working in the private sector, no approval is required for any hospitality under 50 MYR per person entertained. For the avoidance of doubt, approval is required in all cases where hospitality is given to public officials in Malaysia.
  - (f) In China, with persons working in the private sector, no approval is required for any hospitality under 500RMB per person entertained. For the avoidance of doubt, approval is required in all cases where hospitality is given to public officials in China.
  - (g) In all other jurisdictions, there are no exceptions to the requirement for approval.
  - (h) It is unlikely to be reasonable to accept regular or frequent corporate hospitality, particularly from the same source.

## 7.10 Gifts, Hospitality & Entertainment Registers

7.10.1 All gifts and hospitality and entertainment of a certain level (see Appendix 3) given and received by those working for the University in connection with the University's business must be recorded in a Gifts Hospitality and Entertainment (GHE) Register.

7.10.2 Details of gifts, hospitality and entertainment offered to those working for the University but refused, should also be recorded in a GHE Register along with details of the circumstances surrounding their refusal.

7.10.3 A template GHE Register is set out at **Appendix 5** which should be adopted by each Department and Faculty (and by UNMC and UNNC) within the University and will be periodically monitored.

## 8. FOREIGN PUBLIC OFFICIALS

- 8.1 Under the Bribery Act, there are special rules regarding bribery of a 'Foreign Public Official', which require the exercise of particular caution when dealing with public officials.
- 8.2 To risk constituting a bribe, a gift, hospitality or entertainment need only be given to a Foreign Public Official *with the intention of influencing* the official in his/her capacity in return for business or a business advantage. The giver need not intend to induce the official to act improperly.
- 8.3 The definition of Foreign Public Official includes a wide range of people who have influence over the conduct of state institutions or the management of state assets, as well as the management of international institutions. *The definition is sufficiently wide to include persons who work for state owned entities* (such as a higher education funding or grant-giving body outside of the UK or an overseas university).
- **Example:** In China, as many enterprises are state owned, their personnel may fall into the category of Foreign Public Official although they are engaged in commercial activities.
- 8.4 In respect of gifts, hospitality and entertainment, any person working for the University must exercise additional caution when dealing with individuals who may be classed as Foreign Public Officials.
- 8.5 Specific rules applicable to dealing with public officials in **China** and **Malaysia** are set out at **Appendices 6 and 7**.

## 9. FACILITATION PAYMENTS

- 9.1 Facilitation payments are typically small unofficial payments paid to speed up an administrative process or secure a routine government action by an official, which are not necessarily considered bribery under local law or custom. They are more common in certain overseas jurisdictions in which we operate, but it is possible that they could arise in the UK.
- These payments are bribes under UK, Chinese and Malaysian law and the University adopts a zero tolerance approach to demands for facilitation payments.
  - In very exceptional circumstances, if you are at risk of violence or loss of liberty, or there is a threat to personal safety, you should not refuse a demand for a facilitation payment. It may then be necessary to make the payment. Take a detailed note of what happened and report the incident as soon as practicable using the reporting procedure below.
  - Any demand for a facilitation payment should be reported immediately to the University's Registrar and to your line manager.
- 9.2 Examples of when such unlawful payments may be requested include:
- 🔞 to obtain or expedite a permit, licence or other official document or approval;
  - 🔞 to facilitate mail pick-up and delivery;
  - 🔞 to facilitate provision of utilities to a site, such as connecting water, electricity, gas or telephone services; or
  - 🔞 at border controls or crossings to allow safe or prompt entry or exit from a jurisdiction.
- 9.3 Facilitation payments should be contrasted with official, lawful payments (typically to an organisation rather than an individual) to expedite certain functions (e.g. where there is a choice of fast track services to obtain a passport).

9.4 See **Appendix 8** for detailed guidance on how to deal with facilitation payment requests should they arise. This will be of particular relevance to those working for the University permanently or temporarily in higher risk jurisdictions outside of the UK.

## 10. **DONATIONS**

10.1 The University does not make contributions to political parties. The University supports charitable giving and initiatives by colleagues, however, it is only open to the University to make charitable donations at an institutional level in limited prescribed circumstances, and any such requests should first be referred, in the case of the University of Nottingham in the UK, to the Chief Financial Officer and in the cases of the University of Nottingham Ningbo China and the University of Nottingham in Malaysia, to their respective Provosts.

## 11. **RESPONSIBILITIES**

11.1 You must ensure that you read, understand and comply with this policy and applicable Appendices.

11.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for or associated with the University. You are required to avoid any activity that risks a breach of this policy.

11.3 Effective risk assessment in order to evaluate and mitigate risk is an essential element of this policy. Colleagues must assess the vulnerability of their activities, particularly overseas, on an ongoing basis.

11.4 You must notify your manager and the University's Registrar, and (for those working at the UNNC or UNMC) the relevant Provost, as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. This includes notification of any demand for a facilitation payment.

11.5 Any University employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.

## 12. **RECORD-KEEPING**

12.1 Where payments are made to third parties, the legitimate business reason for such payments must always be clearly recorded.

12.2 You must ensure all expense claims relating to gifts, hospitality or entertainment or expenses incurred by third parties are submitted in accordance with the relevant travel and expenses policy then in force at the University, UNNC and UNMC (whichever is applicable) and, in each case, specifically record the reason for the expenditure.

## 13. **HOW TO RAISE A CONCERN**

13.1 You are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your line manager in the first instance. If you or your line manager requires further guidance, you should contact the Registrar's Office, or (for those working at UNNC or UNMC) the relevant Provost. Concerns may also be reported by following the procedure set out in the University's Whistleblowing policy.

## 14. **WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION**

14.1 It is important that you tell your line manager as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity. Any concerns about bribery or attempted bribery should also be reported promptly to the Registrar, and (for those working at the UNNC or the UNMC) the relevant Provost. If you do not wish to raise the matter with your line manager, your concern should be reported directly to the Registrar's Office, or (for those working at the University of Nottingham Ningbo China or the University of Nottingham in Malaysia) the relevant Provost.

15. **PROTECTION**

- 15.1 Colleagues who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions.
- 15.2 The University is 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 or, if you prefer, raise this directly with the Registrar, the relevant Provost, or a member of the relevant University HR Department. If the matter is not remedied, and you are an employee, you should raise it formally using the relevant University Grievance Procedures.

**Policy Issue Date: 10 November 2015**

## APPENDIX 1

### SITUATIONS WHERE BRIBERY RISKS CAN ARISE WITHIN A UNIVERSITY'S OPERATIONS

- in procurement processes for products or services the university purchases
- where university staff are working in higher risk jurisdictions on academic or commercial activities
- in connection with student recruitment or the award of degrees
- where a university is in partnership or a commercial venture with another organisation or a company that may perform services for the benefit of the university
- where gifts and donations are made to or from the University or its staff
- in dealings with non UK public officials which could include those working at state owned or controlled enterprises or other overseas educational institutions or bodies.

### HIGH RISK SCENARIOS – ALSO REFERRED TO AS BRIBERY RED FLAGS – WHICH SHOULD BE REPORTED

- ✗ You become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- ✗ You learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with public officials;
- ✗ You are requested to 'restructure' or defer payments or the provision of services under a contract, in order to allow a third party to avoid falling foul of applicable regulations;
- ✗ You are requested to enter into a relationship involving the exchange of goods, services or favours without a formal written contract to avoid University, public or third-party procedures;
- ✗ A third party insists on receiving a commission or fee payment before committing to sign up to a contract, or carrying out a government function or process;
- ✗ In China, a third party or individual insists on receiving a fee and/or discount not reflected in the relevant contract and not recorded in the relevant accounting system.
- ✗ A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- ✗ A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- ✗ A third party requests an unexpected additional fee or commission to "facilitate" a service;
- ✗ A third party demands lavish entertainment, or gifts (and in China the arrangement of tourism or inappropriate business visits) before commencing or continuing contractual negotiations or provision of services;
- ✗ A third party requests that a payment is made to "overlook" potential legal violations;
- ✗ A third party requests that you provide employment, a place on a course, or some other advantage to a friend or relative;
- ✗ You receive an invoice from a third party that appears to be non-standard or customised;

- ✘ A third party insists on the use of side letters or refuses to put terms agreed in writing;
- ✘ You notice that the University has been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- ✘ A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the University; and
- ✘ You are offered an unusually generous gift or offered lavish hospitality by a third party (see also below guidance on Gifts and Hospitality).

## APPENDIX 2

### FURTHER GUIDANCE NOTE ON GIFTS, HOSPITALITY AND ENTERTAINMENT – APPLICABLE TO ALL STAFF

The giving or receiving of reasonable and modest gifts, hospitality and entertainment is permitted, provided the limits and restrictions set out in this policy are observed.

This Note provides further guidance and some red flags and warning signs to look out for.

#### Working outside the UK

It is recognised that there may be situations, particularly outside of the UK, where the giving of business gifts or hospitality is customary and refusing to accept either of these items may pose practical difficulties or would cause embarrassment.

The University is sensitive to local customs and practices in all of its international work, but where there is a conflict between the policy and local customs and practices, the policy should take precedence. Guidance on how to refuse a gift is in Appendix 3. If a recipient accepts a gift in circumstances where they are reasonably unable to decline and refusal is likely to cause offence or embarrassment, the gift may be accepted on behalf of the University, provided the recipient is satisfied that it is not being offered in return for any favour and the procedure in Appendix 3 is followed.

Local customs and practices should be contrasted with local law obligations. It is an integral part of the University's policy that any gifts or hospitality should be compliant with applicable local law **as well as** UK law and the requirements set out in this policy

The practice of giving business gifts, hospitality and entertainment varies between countries and regions and what may be normal and acceptable in one region may not be in another. Those working for the University in China and Malaysia should read Appendices 6 and 7 to this policy.

#### WARNING SIGNS

Gifts and hospitality can give rise to particular risks in relation to corruption and fraud. Some non-exhaustive warning signs are listed below.

- 🚫 Hospitality or gifts targeting a decision maker or where there is a current bid or new research grant at stake;
- 🚫 A high frequency of hospitality to a particular organisation or individual;
- 🚫 Any hospitality or gift that would have significant personal value to an individual (i.e. even if it otherwise falls within the University's approval and reporting limits);
- 🚫 Any entertainment that a party would likely find embarrassing if it was publicly disclosed;
- 🚫 Where a person or organisation has a reputation for giving or expecting lavish gifts;
- 🚫 If there have been past requests for cash payments in abnormal circumstances;
- 🚫 Pressure exerted for gifts to be made;
- 🚫 Gifts or hospitality being made to a third party;
- 🚫 Gifts or hospitality connected to unexpected or illogical decisions accepting projects or contracts or other illegal aims;

- ✚ Any gift or hospitality in connection with other red flags or corruption concerns, such as:
  - Abuse of a decision making process or delegated powers in specific cases
  - Agreement on terms not favourable to a recipient's organisation
  - Unexplained preference for use of certain third parties or bypassing usual processes
- ✚ Inaccurate recording of a gift or hospitality or missing documents or records;
- ✚ Other University or another organisation's procedures or guidelines not being followed; and
- ✚ Requests for high value expenses or education fees (or similar).

## APPENDIX 3

### HOW TO REFUSE A GIFT PROHIBITED BY THE UNIVERSITY POLICY

Where a gift prohibited by this policy (or under its Appendices) is offered to or received by a person working for the University it should be refused.

The University recognises that in certain countries it can be considered impolite to refuse a gift from a third party. It is therefore important that gifts prohibited by this policy be refused in such a way as to avoid causing any offence.

Below are some tips on how to do so effectively:

In some countries, such as in China, it may be common for a recipient to politely refuse a gift, sometimes repeatedly and it is also generally expected that the giver will persist and the recipient will eventually accept. Where a gift is offered or given contrary to this policy, however, the gift should nevertheless be refused in a manner sensitive to all the circumstances.

This may entail:

- Thanking the giver for their thoughtfulness taking care not to embarrass them.
- Expressing your apologies for not accepting the gift and explain why, mentioning the University's policy and specific rules as necessary.
- If the gift has already been received and the giver refuses to take it back, the gift should be handed to your line manager within the University who should report the matter to the Registrar;
- All gifts offered or received, and details of their refusal should be recorded in the Gifts, Hospitality and Entertainment Register.

## APPENDIX 4

### APPROVAL AND REPORTING PROCESS

This Appendix provides guidance on the approval and reporting requirements for gifts, hospitality and entertainment offered, given or received by those working for the University in connection with the University's business.

This Appendix should also be read in conjunction with the University's Travel and Expense Policy.

#### Gift, hospitality and entertainment expenses

Gifts, hospitality and entertainment of a certain financial value to be given or received by Staff must be authorised prior to being given or received by an authoriser or approver who must be at an appropriate level of seniority given the grade of the claimant and of any others benefitting from the expenditure (see below). Certain gifts, hospitality and entertainment must also be recorded in a Gifts Hospitality and Entertainment (GHE) Register.

**Note that these approvals are in addition to the approvals required under the University's Travel and Expenses Policies for employee expenses etc.**

### GIFTS

UK	Approval Levels
Gifts to private sector	Approval required for gifts of £50 or more. Gifts from suppliers or potential suppliers of goods and services to the University of more than low value (e.g. diaries, calendars) should be declined.
Gifts from private sector	Approval required for gifts of £140 or more. Gifts from suppliers or potential suppliers of goods and services to the University of more than low value (e.g. diaries, calendars) should be declined.
Gifts to public sector	Approval required for gifts of £50 or more. Exercise caution when offering gifts within the public sector.
Gifts from public sector	Approval required for gifts of £140 or more. Exercise caution when accepting gifts from public sector sources.
Record in the GHE Register	Gifts over £50 should be recorded in the GHE Register.

CHINA	Approval Levels
Gifts to/from private sector	Approval always required save for the formal exchange of corporate gifts and honoraria associated with the performance of a service.
Gifts to/from public sector	Approval always required save for the formal exchange of corporate gifts and honoraria associated with the performance of a service. Approval should not be granted for amounts of more than 200RMB.
Diplomatic gifts (obtained via diplomatic activities) Domestic gifts (gift obtained through carrying out domestic duties)	Gifts valued from 100 RMB to 200 RMB may be kept but should be reported. Gifts valued over 200 RMB should be reported and handed in. Any staff receiving gifts valued over 600RMB in aggregate in a year should report and hand in the excess.
Record in the GHE register	All gifts and Honoraria should be recorded in the GHE Register.

<b>MALAYSIA</b>	<b>Approval Levels</b>
Gifts to/from private sector	Approval required for gifts of 50 MYR or more. Excludes the formal exchange of corporate gifts and honoraria associated with the performance of a service. Honoraria should be recorded in the GHE Register).
Gifts to/from public sector	Approval always required save for the formal exchange of corporate gifts.
Record in the GHE Register	Gifts over 25 MYR in value, excluding the formal exchange of corporate gifts. Honoraria should be recorded in the GHE Register.

### **HOSPITALITY and ENTERTAINMENT**

<b>UK</b>	<b>Approval Levels</b>
Hospitality/Entertainment to and from public and private sector	Approval required over £50.
Record in the GHE Register	Hospitality and Entertainment which exceeds £50

<b>CHINA</b>	<b>Approval Levels</b>
Hospitality and Entertainment to/from private sector	Approval required over 200 RMB
Hospitality to/from public sector	Approval always required and should never exceed 200 RMB. Excludes small servings of food as routine hospitality in meetings.
Record in the GHE register	Private sector hospitality which exceeds 200 RMB and all public sector hospitality

<b>MALAYSIA</b>	<b>Approval Levels</b>
Hospitality and Entertainment to/from private sector	Approval required over 100 MYR.
Hospitality and Entertainment to/from public sector	Approval always required. Excludes small servings of food as routine hospitality in meetings.
Record in the GHE Register	All public sector hospitality and entertainment, excluding small servings of food as routine hospitality in meetings, and private sector hospitality and entertainment over 100 MYR.

**Table of Approval authorities for Gifts, Hospitality and Entertainment Expenditure**

<b>Claimant of business expenditure</b>	<b>Appropriate level of seniority to authorise or approve expenditure</b>
Pro-Vice Chancellor (including Provosts)	Vice-Chancellor, Chief Financial Officer or nominated delegate
Vice Provost	Pro-Vice Chancellor/Provost
Head of School	Pro-Vice Chancellor
Member of School	Head of School or nominated delegate
Head of Professional Services	Chief Financial Officer, Registrar or nominated delegate
Member of Professional Services	At the University in the UK, the Director of the relevant Professional Services department or nominated delegate; at UNNC or UNMC, the Provost or their nominated delegate

**APPENDIX 5**

**THE UNIVERSITY OF NOTTINGHAM**

Template Gifts, Hospitality and Entertainment Register for use by [DEPARTMENT/FACULTY/ADMINISTRATION FUNCTION]

[INSERT NAME OF INDIVIDUAL/ROLE OF INDIVIDUAL] will maintain the register on an ongoing basis.

**Gifts, hospitality and entertainment received**

<b>Date</b>	<b>Name of Staff member</b>	<b>External party</b>	<b>Description of Event</b> (what, why and who was in attendance, what steps were taken to resist)	<b>Accepted/ Declined</b>	<b>Estimated value (£)</b>	<b>Approved by (if applicable) and date</b>

**Gifts, hospitality and entertainment provided**

<b>Date</b>	<b>Name of Staff member</b>	<b>External party</b>	<b>Description</b> (what, why and who was in attendance, what steps were taken to resist)	<b>Accepted/ Declined</b>	<b>Estimated value (£)</b>	<b>Approved by (if applicable) and date</b>

A copy of this Register should be supplied to the University Registrar every quarter.

## APPENDIX 6

### SPECIFIC GUIDELINES FOR OPERATIONS IN CHINA

#### Overview

It is important to note that in China there is a widespread emphasis on personal relations (*guanxi*) as the basis for professional relations. Gift giving and the exchange of personal favours are used as key means of building and sustaining *guanxi*. This policy does not impose a blanket prohibition on the giving of modest gifts in this context but University Staff working in China full time or temporarily must exercise caution to ensure their actions cannot be construed as bribery. To avoid risks, gift giving and receipt of gifts is subject to enhanced approval and reporting procedures set out in Appendix 4 to this policy.

This Appendix 6 sets out additional guidance for those working for the University in China.

#### Key Points

The legal definition of bribery in China is similar to that in the UK and elsewhere, and is found in the Criminal Law of the People's Republic of China and in the Anti-Unfair Competition Law of the People's Republic of China. Bribery is the giving or receiving of some value in exchange for the giving of some illegitimate benefit. Any tangible benefit can be considered a bribe.

In China the five basic categories of bribery are:

- Where a commercial party gives a bribe to another commercial party
- Where a commercial party gives a bribe to a government official
- Where a commercial party accepts a bribe
- Where a government official accepts a bribe
- Where a commercial party facilitates a bribe to a government official

It is also a crime to bribe a foreign public official.

The Chinese government is currently enforcing anti-bribery and corruption legislation extremely strictly and has sought to make high-profile examples, particularly of public officials and of foreign-owned companies that are caught engaging in improper practices, both through the legal system and through public vilification in the media. The risks associated with even appearing to be involved in corrupt practices are therefore extremely high and require the exercise of extreme caution.

#### Specific Rules on Gifts, Hospitality and Entertainment

In relation to China, particular risks can arise in relation to gifts and hospitality. Adhere to the additional rules relating to China in addition to the other general rules and requirements elsewhere in this policy.

The University does not permit the following to be given or received in China in any circumstances:

- ✗ red packets or red envelopes ("*hong bao*") or any other cash payment regardless of value;
- ✗ mooncakes (or vouchers for mooncakes), travel vouchers, supermarket cards, or transportation cards;
- ✗ any item where there is an onward market to exchange the item for cash (e.g. gift cards, vouchers); and
- ✗ any gift involving the free or discounted provision of a University service such as reduced or waived tuition fees.
- ✗ any payment or fee and/or discount not reflected in the relevant contract and not recorded in the relevant accounting systems.

## Public Officials

For the avoidance of doubt, in line with the above, the University does not permit the giving of red envelopes or cash equivalents or gift cards and securities to public officials in any circumstances.

Nor does the University permit the giving of any gift in order to affect the performance of official duties – regardless of the value.

Gifts which are not given with the intention of affecting the performance of official duties (and are not red envelopes, cash equivalents, gift cards or securities) may in very limited circumstances be appropriate to give to public officials but their provision is subject to obtaining the relevant approval and reporting obligations (see Appendix 4 above), compliance with the overarching rules on Gifts and Hospitality set out elsewhere in this policy, as well as ensuring strict compliance with local law provisions.

- All those working for the University should note that if Chinese Communist Party ("Party") and government officials in China receive gifts (except those given by family and close friends) they are obliged to report them and hand them in if over certain values. After being reported and handed in the gift may be redistributed, preserved, or divided within the recipient's work unit, depending on its nature and value.
- The principal exception to this rule is food, cigarettes and liquor, which may be retained by the recipient after being reported. Nevertheless, particularly valuable items in this category could still be considered improper and be subject to confiscation.
- There are also a range of central and provincial regulations in China governing gift giving. In light of these rules, those working for the University should seek immediate guidance from their line managers and/or the Provost in respect of any proposed gift or hospitality in China and strictly adhere to the approval, reporting and recording rules set out in Appendix 4.

## APPENDIX 7

### SPECIFIC GUIDELINES FOR OPERATIONS IN MALAYSIA

The law on bribery and corruption in Malaysia is similar to that in the UK. Offences can be committed by persons who give bribes as well as those who receive them. It is an offence to bribe both public officials and private individuals.

#### Key Corruption Rules

The main Malaysian bribery offence is committed by "corruptly" giving or receiving a "gratification" for the purpose of influencing a person or an officer of a public body, in respect of their actions and decisions in an actual or proposed transaction. A "Gratification" is broadly defined, to include all types of financial and non-financial advantages. It is therefore similar to the wide scope of what can constitute a bribe under the UK Bribery Act.

**Note that there is an obligation on any person to whom a bribe is given, promised or offered or from whom it is solicited or obtained to report this to the Malaysian anti-corruption commission or the Malaysian police.**

**Failure to do so can be an offence punishable by up to 10 years' in prison.**

#### Gifts, Hospitality and Entertainment

In Malaysia there is traditionally a culture of giving gifts during festive occasions. The main festive occasions celebrated in Malaysia are Eid Aidilfitri, Chinese New Year, Deepavali (Diwali) celebrations and Christmas.

Gifts are commonly in the form of hampers of food, souvenirs and sometimes now include hospitality and event tickets. Many of these items will require approval under the University's policy, before they can be offered or received, except in the context of private sector relationships where the gifts are of very low or token value or where the hospitality comprises no more than a very modest business lunch (under 50MYR).

Increasing attention is also now paid to the Malaysian law on corruption. Some organisations have imposed strict "no gifts" policies and University staff should be mindful of this when considering the appropriateness of offering or receiving any gift.

#### Specific Rules on interacting with Public Officials

Without prior approval in accordance with this policy, the University prohibits gifts and hospitality being given to public officials in Malaysia.

This ruling DOES NOT apply to the routine exchange of corporate gifts during formal visits/events and DOES NOT apply to the routine hospitality provided during meetings and visits. Particular care should be taken by all staff to ensure any dealings with public officials in Malaysia do not risk breaching local law rules as well as the UK Bribery Act. Malaysian law sets out a number of specific offences involving bribery of public officials, including:

- It is an offence to "corruptly" give any person a "gratification" as an inducement or reward for any officer of a public body doing or not doing anything in respect of any actual or potential transaction with which the public body is concerned.
- It is also an offence where a "gratification" is provided to a **relative** of a public official rather than the public official themselves.

## **APPENDIX 8**

### **FURTHER GUIDANCE ON HOW TO DEAL WITH DEMANDS FOR FACILITATION PAYMENTS**

#### **Avoidance**

Wherever you work for the University, take steps to research and understand the local law in advance of undertaking any activity so that you know what the official requirements are. This will help you recognise what is an official (and legitimate) demand and what may be an unofficial (and illegitimate) demand from a public official for a payment.

For example, ensure you know in advance what permits or licences are needed for any activity from a government body or any public official in the jurisdiction where you will be travelling or working. If possible obtain prior official confirmation that your documentation is in order to avoid 'last minute' demands for payments that may be unofficial.

Ensure you have sufficient time to get through any administrative formalities so that time pressure is not an issue.

#### **Resistance**

If you are asked to make a payment on behalf of the University, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment.

If you are unsure as to the validity of an official's request for a payment, the steps below should be followed as far as they are applicable and as far as it is possible for you to do so without putting your personal safety or security at risk:

- if possible contact your line manager or supervisor immediately
- ask the official for proof of the validity or legitimacy of the fee
- request that a receipt be provided confirming the validity of the payment
- if no proof of validity will be provided, politely decline to make the payment and explain you do not believe you need to make the requested payment
- explain that you cannot make the payment because it is against the University's policy as well as anti-bribery laws and that you would have to report it to your manager
- if it is also the case, point out that the payment request is against local law
- if possible ask to see the official's supervisor
- at all times remain calm, respectful and polite

#### **Reporting / Recording**

Always report any demand for a facilitation payment.

## **Exceptional circumstances**

If you find you are in fear for your safety or at risk of loss of liberty, do not refuse a demand for a facilitation payment. In these circumstances:

- where possible try to avoid making the payment in cash
- make a full note of the request, the circumstances and the parties involved including the steps you went through to try to resist the payment
- record the name or description of the project to which the facilitation payment is related
- if you can, record the name of the individual requesting the payment and any other details you can safely obtain
- report the payment to your manager and the Registrar (and if relevant, your Provost) as soon as possible after making it
- ensure the payment is recorded in the University's expenses system with a clear explanation of the circumstances in which it needed to be made (i.e. details of the demand).

**Policy Issue Date: 10 November 2015**