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**Institute of Company Secretaries of India (ICSI) formulates the Corporate Anti-Bribery Code for the private sector**

**Background**

Recently, the ICSI announced the Corporate Anti-Bribery Code (the “Code”). The Code outlines a systematic approach that may be voluntarily adopted by a corporate entity operating in the private sector to establish an anti-bribery mechanism to prevent bribery and counter facilitation payments in both, public and private sectors.

**Framework of the Code**

The Code is wide in scope and application, and extends to the board of directors of the adopting corporate entity, and its employees, agents, associates, advisors, representatives, consultants, intermediaries, contractors, sub-contractors and suppliers. It requires the corporate entity to follow all applicable anti-corruption laws of India. Further, it not only prohibits the corporate entity from indulging in bribery in India, but also prohibits bribery of foreign public officials to obtain or retain business or receive an improper advantage in business, which is otherwise not specifically prohibited under the Indian anti-corruption laws. The corporate entity is also required to set up a whistle blower mechanism and ensure annual corporate anti-bribery code awareness and training programs/measures for its people. To achieve the objectives outlined in the Code, model policies on related aspects such as gifting, hospitality and expenses, and purchase through suppliers and other service providers are also prescribed.

The Code further provides for corporate entities to adopt specific disciplinary mechanisms to handle instances of violations. It prescribes that the disciplinary mechanism must; (i) consist of penalty for violation of a particular offence and (ii) suggest a competent authority within the entity to deal with such violations.

**Analysis**

The voluntary Code goes beyond the scope of the current anti-corruption laws of India and extends the prevention of bribery to the private sector. This is a step in the right direction and it is hoped that the government will take a cue from it and also extend the scope of Indian anti-corruption laws to the private sector in near future.

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