



HUP

Hrvatska udruga poslodavaca

ICCrA | INSTITUT ZA COMPLIANCE,
CRIMINAL COMPLIANCE I
ANTI-MONEY LAUNDERING

AmCham
Američka gospodarska komora u Hrvatskoj
American Chamber of Commerce in Croatia



HRVATSKO DRUŠTVO SUDSKIH
VJEŠTAKA I PROCJENITELJA



POVIJERENSTVO ZA ODLUČIVANJE O
SUKOBU INTERESA
REPUBLIKA HRVATSKA



FOND ZA ZAŠTITU OKOLIŠA I
ENERGETSKU UČINKOVITOST

ALTPRO
ISTRAŽIVANJE - RAZVOJ - PROIZVOĐENJA

JANAF

Henkel

CROATIAN COMPLIANCE GUIDELINES

November 2021



Members of the Working Group participating in the preparation of the Croatian Compliance Guidelines:

1. Mr.Sc. Davor Iljkić - ICCrA, Working Group Coordinator and Chair,
2. Boris Stanković, DVM - Compliance Manager, DPD Croatia d.o.o., Working Group Vice Chair,
3. Dr.Sc. Sandra Damijan Senior Advisory Board Member for Europe, Sigma Ratings Inc.,
4. Dr.Sc. Damir Novotny- Economic Analyst,
5. Dr.Sc. Sonja Cindori, Faculty of Law in Zagreb,
6. Aleksandar Rajčević - IKEA Risk & Compliance Manager South East Europe, IKEA,
7. Tanja Paun, Mag. Jur., Legal Adviser, Health Employers' Association of Croatia (UPUZ-HR),
8. Dejan Subotić, Director of Legal Affairs and Human Resources Division, JANAF d.d.,
9. Mr.Sc. Zdenka Doko, City of Zagreb, City Control Office, Department Manager for internal audit in institutions, companies owned by the City of Zagreb and other legal entities,
10. Vinko Berković, Compliance Officer, Hrvatski Telekom d.d.,
11. Maja Jurlina – Compliance Manager - Croatia Banka d.d. ,
12. Krešimir Lipovšćak, Am Cham Judicial Committee Am-Cham,
13. Anita Pejić Ilišević, Head of Legal and Compliance Officer for Slovenia, Croatia and Bosnia and Herzegovina. Henkel Croatia d.o.o.,
14. Plamenko Barišić, Chairman of the Management Board of KING ICT d.o.o.,
15. Branka Križanić, Croatian Deposit Insurance Agency



PREAMBLE

On 22 October 2020, organised by the Institute for Compliance, Criminal Compliance and Anti-Money Laundering (hereinafter: ICCrA), the 3rd Conference named „*Working Group on Compliance Guidelines*“ was held. On that occasion, for the first time a non-governmental Working Group on Croatian Compliance Guidelines was officially presented to the public, consisting of compliance specialists, sponsored by the Government of the Republic of Croatia, including: Ministry of Economy and Sustainable Development, Ministry of Justice and Public Administration and Ministry of Physical Planning, Construction and State Assets.

In addition to the sponsors, the conference was attended also by ICCrA's partners: Croatian Chamber of Economy (HGK), Croatian Employers' Association (HUP), AmCham and others.

The rationale for preparation of the Croatian Compliance Guidelines is to draw up a first written document and to set clear foundations for development of compliance and compliance culture and its supporting mechanisms and tools (compliance officers). Special emphasis is placed on importance of its implementation as a self-help institute in reinforcement of legal security and guaranteeing orderly economic activity in all business entities in the private and public sector, thus laying clear foundations for economic operators and other stakeholders in development of a business culture and creating a business climate in the Croatian market globally.

It is the first time that key concepts are clearly defined and a comprehensive overview of their definitions is provided in one place, so as to eliminate doubts in the business culture and enable awareness by economic operators of various minimum requirements to be satisfied in the management of business entities.

The guidelines may serve as a basis for preparation of other policies of a business entity whose fundamental determinants will be aligned with the international economic practice in developing compliance culture. This arises from the contents of the Guidelines in whose preparation participated compliance specialists from various business sectors seeking to facilitate business transactions and interaction of all subjects, within the framework set by these Guidelines.



By accepting and implementing these Compliance¹ Guidelines, business entities assume the role of ambassadors of Compliance in the Republic of Croatia.

I. DEFINITIONS AND KEY TERMS

The terms used in these Guidelines shall have the following meaning:

1. **Compliance**, as concept, is an economic trend guided by the European and other international regulations guaranteeing adherence to the existing national and international standards by business entities operating on the market, hence also the regularity of economic activity. As a means of corporate governance which provides a framework for actions in governance and oversight of business operations, it is defined as observance of statutory provisions and economic guidelines by the governance or other comparable management body.
2. **Science of compliance** is interdisciplinary in character with its components, branches and tools aimed at identification of risk factors and minimization of probability for some risks to arise, designed to protect a legal entity and employees, and representing much more than mere conformity with legal regulations.

The objective of compliance is to protect reputation of business entities, develop effective warning systems and efficient risk management, set up a system of oversight, prevention and control of occurrence of adverse incidents, assure quality and innovation, establish proper tender procedures, advise and provide access to information to employees who need to know and to observe legal standards at national and international levels.

¹ Considering that the science of compliance is undoubtedly interdisciplinary and, as a term, ranges much wider than „conformity“, it would be wrong to use the term „conformity“ instead. This is also ICCrA’s approach because to determine compliance simply as conformity with the Constitution and law would qualify and belittle the purpose of compliance.



Implementation of compliance system and development and fostering of compliance culture in a business entity is the duty and obligation of the governance body or another comparable management body. To achieve these goals, for performance of compliance officer's duties will be elected a person having adequate specialisation and working experience.

Compliance is an instrument for establishment of orderly business operations, while a compliance officer, as a person vested with the power and authority to implement it, has a role of guarantor in relation to its implementation, hence is a guarantor of regularity of business operations. The term conformity of business is not a substitute for compliance, it is rather used to determine the extent of establishment of the compliance program and compliance system.

3. **Compliance risk** is a risk of imposition of possible sanctions and penalties or risk of occurrence of significant financial losses or loss of reputation which may be suffered by a business entity due to non-compliance with regulations, standards, codices or internal policies.
4. **Compliant business** is a business of a corporate entity which may objectively be characterized as complying of the corporate entity and its employees with the Croatian Compliance Guidelines, international and Croatian laws, policies and regulations, internal policies, international standards, accepted good business practices and applicable recommendations or which is in the process of reaching this level of business.

To this end and to achieve business uniformity, recognition, transparency and competitiveness in the open market (capital market) or in the local market (at the national level) with corporate entities which can operate or which operate on an open market basis, four main types of compliant business practices are distinguished, which however does not restrict particular regulators or institutions to develop also other categories or sub-categories with clear characterization.



The purpose of the above typology of business practices is to achieve transparency and clear criteria taking into consideration the „fair play“ principle in relation to business risk, in contemplation of dealings with third parties.

A particular typology or characterization may be established after conducting internal and external compliance checks, based on whose results it may be evaluated with a higher degree of certainty and reliability, to which extent certain business standards or criteria in a corporate entity are met.

Accordingly, a distinction is made between:

- a) **compliant** – is the established highest possible rating of a business, which to the greatest extent possible satisfies all regulations, internal and external regulatory rules, standards and applicable business practices or is close to reaching the stage that can be rated as business „free of deficiencies“
- b) **largely compliant** - is the established rating of a business, which is lower than „compliant“, where only „minor deficiencies“ are identified in fulfilment of criteria for satisfaction of all regulations, internal and external regulatory rules, standards and applicable business practices
- c) **partially compliant** - is the established rating of a business, which is lower than „largely compliant“, where „moderate deficiencies“ are observed in fulfilment of criteria for satisfaction of all regulations, internal and external regulatory rules, standards and applicable business practices
- d) **non-compliant** - is the established rating of a business, which is lower than „partially compliant“, where „major deficiencies“ are identified in fulfilment of criteria for satisfaction of all regulations, internal and external regulatory rules, standards and applicable business practices.



5. Conflict of interest

a) Definition²

Conflict of interest occurs in circumstances where personal interests of employees, either in the public or the real sector, are contrary to public interest and/or employer's interest.

It is also any situation where an employee, either in the public or the real sector, has the opportunity to favour own interests or interests of closely related persons, social groups and organisations, to the detriment of the public or employer's interests,

b) Forms of conflicts of interest

An actual (existing) conflict of interest is a situation where personal interests of an employee can clearly affect the impartiality in performing duties or/ in the decision-making process.

A potential conflict of interest is a situation where personal interest of an employee can prevail if the employee is involved in a decision-making process.

An apparent conflict of interest is a situation where the public or the employer may get the impression that personal interests of an employee can improperly influence performance of duties or decision-making, although this position is not founded or a conflict of interest never really happened.

An apparent conflict of interest creates the impression of a conflict of interest and, unless controlled, it may turn into an actual conflict of interest which should be identified and managed.

c) Managing conflict-of-interest risk

² The Ministry of Public Administration of the Republic of Croatia (2017), Guidelines for Managing Conflict of Interest of Employees in the Public Sector, Managing Conflict of Interest of Employees in the Public Sector Manual.



To ensure efficient and transparent management of conflict-of-interest risk and to set up an organizational structure discouraging conflicts of interest in business practice, it is necessary to design and implement an adequate management policy, establish processes and practices in the working environment stimulating effective control, management and resolution of conflict-of-interest situations, encourage employees to recognize, discuss and report conflicts of interest and to put in place appropriate protection measures designed to prevent the misuse of allegation and reporting of conflicts of interest.

All events of recognized, apparent or potential conflicts of interest should be documented. Any event of apparent or potential conflict-of-interest should be examined and resolved.

Besides, it is important to create and to continually promote compliance culture as a culture of open communication and dialogue relating to an honest and „clean“ business practice by continuous education of employees about all set standards intrinsic to all aspects of conflicts of interest.

d) Differences between conflict of interest and criminal act

The most effective mechanism of prevention of conflict of interest is recusal. If an employee fails to recuse himself from the procedure in which he could find himself in a conflict of interest, and if by his participation in that procedure the employer incurs direct or indirect damage in the form of a financial loss or asset impairment or if by participating in the procedure he obtains for himself or another an unlawful material benefit, then the said conduct of the employee passes from the domain of non-compliance with internal standards and procedures into the domain of offence or criminal act, requiring active involvement of prosecution authorities.



- 6. Undue inducements and acts** represent promises, unlawful benefits or potential trading in influence, aimed at influencing the conduct of persons, on whom depends business cooperation, operating performance and efficiency of a business entity. Undue inducements and acts can have different forms, to name a few:
- a)** bribe: is an offer, promise, giving, approving or accepting any material or other benefit in order to acquire or maintain a business or other undue advantage, e.g. in public procurement procedures, issuance of permits, taxation, customs clearance, court or administrative proceedings
 - b)** extortion or solicitation: means solicitation of bribe, regardless of whether it is connected with threat if the demand is denied
 - c)** trading in influence: means offering or solicitation of undue advantage to achieve undue, actual or alleged influence with the intention to gain undue advantage for the primary instigator of an act or another person
 - d)** laundering of money or proceeds from the above mentioned undue dealings: means concealing or suppressing of illicit origin, source, place, disposal, movement or ownership of proceeds, knowing that such proceeds are acquired from illicit activities.

By educating employees and raising sense of responsibility, business entities will prevent their interdependence in business relations or obligations of any kind.

Employees, within the framework of their jobs, should neither directly nor indirectly incite, accept, offer or approve unwarranted benefits, whether in the form of cash payments, gifts or other goods i.e. services. Exceptions are only conventional casual or promotional gifts or hospitality, which are proven to be of modest value. For such exceptions it is recommended for corporate entities to establish internal procedures which would *inter alia* clearly define giving of gifts in good faith, preventing of influence (or creating of apparent influence) on receiver's independence in relation to the giver, compliance with receiver's policies and ethical standards and that they are not given or offered frequently or at undue times.

7. Compliance officer

A person or an organisational unit in the corporate entity which is responsible for taking measures or actions aimed at protection of integrity of the corporate entity and management of risk as part of debt financing, which according to the internal



organization of the corporate entity fall under the responsibility of the compliance and which may be related to a conflict of interest, market competition, protection of personal data, prevention of money laundering, international sanctions, abuse of inside information, disclosure of confidential information as well as other risks related to compliance.

The foregoing is achieved by raising awareness of employees about advantages of the compliance system, education and advising on the integrity and setting-up of a program for protection of business segments defined by the management.

The function and role of the compliance officer requires an appropriate level of knowledge and experience, autonomy in work, independence, protection of his professional and conscientious work in the interest of the corporate entity against the autocracy of the employer. The compliance officer should be positioned sufficiently high in the hierarchy to the effect that he has an equal and fair access to all information, strategies, management and supervisory body in order to ensure an effective, unobstructed and full-scale performance of his duties.

Compliance officer advises the governance body and other responsible persons in the business entity, acts in the best interest of the business entity and protects it internally and externally in accordance with all market competition rules, business rules and best practices. Considering the specificities and duties vested in the compliance officer, the final responsibility for his proceeding lies with the management body.

Compliance officer, with relevant resources, authority and independence in work supervises and coordinates implementation of the business entity's compliance policy and reports periodically to the business entity's governance body.

Compliance officer's duties are: to monitor compliance with relevant regulations and identify and assess compliance risks to which the business entity is exposed, monitor publication and announcement of new regulations and advise the governance body or other responsible persons in the business entity about the manner of application of relevant regulations and their impact on operations of the business entity, notify the governance and supervisory or other body about compliance risk, participate in preparation and implementation of training programs on compliance policy and other



duties which pertain to the compliance officer based on regulations, commensurate to the size, volume of business and given needs of the business entity.

8. Compliance guidelines

ICCrA Institute shall in accordance with the Recommendation of the OECD Council on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises (C/MIN(2019)5/FINAL, adopted by the Council on Ministerial Level on 22 May 2019)”, together with its team of specialists and partner signatories to the Guidelines actively participate, oversee and act toward a successful and effective implementation of the compliance policy in business entities, development of skills and identification of obligations of a compliance officer as profession, for the future multiannual period in accordance with the best practices, trends, needs of the society and business entities, guidelines of OECD (*Organization for Economic Cooperation and Development*), ICC (*International Chamber of Commerce*) and Anti-Corruption National Strategy.

II. COMPLIANCE SYSTEM

9. It is recommended that in addition to the entities subject to registration in the register of beneficial owners under the money laundering and terrorism financing regulations (companies, foreign companies’ branches, associations, funds, institutions, trusts and trust equivalents incorporated under foreign law) the following legal entities incorporated in the Republic of Croatia should also be obliged to introduce compliance system:

- a) public administration entities, other government entities, local and regional self-administration units, including all legal entities founded by the Republic of Croatia or a local or regional self-administration unit
- b) political parties, chambers, cooperatives, trade unions etc.

10. Strategy – each entity subject to compliance requirement should adopt the strategy prepared in accordance with these Guidelines and other applicable regulations. In addition to the basic principles of compliance system, each entity subject to compliance should also ensure that there is an operational part regarding actual implementation of strategy and allocation of duties, depending on the level



and position of employees. The strategy should be commensurate to the size of the entity and its ordinary business. The established strategy need be transposed and implemented at a group level in all subsidiaries and branches.

11. Professional assistance and training – For the purpose of adherence to the compliance system the management board will set up a system of professional assistance regarding compliance issues for the governance and supervisory bodies of the business entity as well as for all employees and, possibly, for that entity's business partners. Also, the governance body shall organise training within the business entity on the topic of compliance policy and culture minimum annually or several times in a year as needed, especially in the event of change of regulations and consequently of the changed practice.

12. Motivation – Governance body of the entity subject to compliance will establish a system enabling a positive environment and motivation boost for all employees, to enhance the effects of the compliance system and to encourage initiatives aimed at protecting the achieved integrity of the firm.

13. Internal control - Governance body of the entity subject to compliance should put in place a system of internal control or oversight procedures which would be in line with the principles of division of functions and definitions of responsibilities as well as with the principle of participation, and shall ensure, commensurate to its size and business volume, at least two specialist persons, one of whom may be an independent expert outside the entity.

14. Business partners – Considering the size and structure of business entities, nature of business cooperation and available resources, business entities will seek to promote, also in relations with their business partners, mutual application of „zero tolerance“ of corruption and unlawful acts, clearly demonstrating commitment to lawful and ethical conduct. To this end, business entities should, depending on their abilities and needs, implement measures for prevention, identification and elimination, i.e. mitigation of standard non-compliance risks and risks of fraudulent activity and corrupt practices. These measures include, but are not limited to, relevant analyses and assessments of standard risks, compliance risks and risks of fraudulent and corrupt practices, especially on entering into new business relations



with partners and suppliers, and regular monitoring of identified risks in accordance with the generally accepted international standards and good business practices.

15. Anti-corruption clause – Business entity’s management will endeavour, depending on the nature and extent of business cooperation and agreements with business partners and suppliers, to incorporate an anti-corruption clause into contractual relations with business partners and suppliers, which it will seek to implement in contracts with their business partners, suppliers and manufacturers.

The anti-corruption clause should be based on reciprocity and include reciprocal obligation to comply with all applicable national, European and international rules relating to due process and good business practice, especially including rules governing anti-corruption, money laundering and terrorism financing and any other form of corrupt practices, and should include provisions on consequences in the event of breach of this clause.

16. Reporting of irregularities – Each business entity should set up an effective mechanism for reporting irregularities enabling easily accessible and reliable channels for reporting the suspected violation of laws and other regulations, corrupt and fraudulent acts, violations of internal bylaws and codes of conduct and other irregularities. Channels for reporting irregularities should be clearly and transparently published and be accessible to all employees as well as third parties. The established system for reporting irregularities should include a mechanism ensuring processing of received reports. The processing should be effective and done in a reasonable period. Responses to the reports should have equal importance as the reports themselves and reflect a high degree of compliance culture of the business entity. To this end, a person should be designated for receipt and follow-up of the reports and a contact address published for submission of reports.

17. Protection of the reporting person – The system for reporting irregularities should ensure the highest possible protection of the reporting person, with particular emphasis on protection of his/her identity. Particular attention should be given to protection of the reporting person against any form of harassment or any other unjustified treatment aimed at or actually representing harm to his/her dignity, causing anxiety, hostile, degrading or humiliating environment, and done to the reporting person precisely because of his/her reporting of an irregularity. The



reporting person should not be dismissed or placed at any disadvantage because he/she reported the suspected irregularity.

18. Education and promotion – the business entity should to the greatest extent possible develop and foster a positive compliance culture which includes, primarily, preventive acting of the compliance officer. To that effect, particular efforts should be made towards systematic and continuing educative activities and promotion of essential compliance values at all levels of the business entity, including the management and governance. In doing so, it is particularly important to promote the policy of zero tolerance for corruption, frauds or other unlawful acts, with education about the importance and necessity of a due and compliant process.

The business entity should foster an open and supportive culture („*Speak Up*“ culture) encouraging the employees to raise questions, get informed and report suspected irregularities, violations of law and other regulations, internal policies and rules of the business entity and ethical principles and rules of conduct.

19. Measures for effective implementation – In order to practically and effectively implement the adopted policies and compliance values the business entity should provide for adequate measures reflecting a clear approach of not tolerating corrupt and fraudulent practices at any level. In doing so, it is important that the business entity at all times keeps focus on education and promotion and any other follow-up measures to unlawful and/or non-compliant acting of the employees should represent „*ultima ratio*“ in ensuring implementation of the rules. Such measures should comply with the internal bylaws and policies of the business entity, collective agreement, Labour Law and other relevant primary and secondary legislation. In contemplation of the measures, attention should be given to the nature and gravity of the committed wrongdoing and all other relevant circumstances of a particular case.

20. Fit and proper – Members of the management and supervisory boards of a business entity, holders of key functions and senior management should, in addition to fundamental requirements defined by the law governing business entities' activities, fulfil also additional „fit and proper“ requirements for performance of the relevant duties. It especially includes requirement of personal integrity comprising good reputation, conscientiousness and honesty, requirement of specialist knowledge, ability and experience commensurate to the nature and



needs of a particular business entity and business activities performed by it, and finally, requirements regarding no conflict of interest, in accordance with current legal regulations, interests and business policy of the corporate entity.

21. Transparency and reporting - Transparency and reporting are the highest priorities and essential elements in ensuring an effective implementation of the adopted policies designed to prevent corrupt and fraudulent practices or any other unlawful and non-compliant practice. To this effect it is necessary to ensure regular reporting, at least annually, about the degree of development of the compliance function and about the state of compliance of the overall business, in order for the business entity's owners, governance body and its supervisory organs, as well as customers, staff members and business partners to obtain a clear and transparent information about the implementation of the internationally recognised good practices, whereby the business entity once more confirms its true commitment to the combatting illegal and unethical practices.

22. Market conduct – business entities operating on the free and open market are obliged to apply "*fair play*" in relation to competitors and to observe international and national regulations governing market competition.

The undertakings on the market act within the framework of vertical and horizontal cooperation³.

Vertical cooperation is understood as cooperation and/or agreement between two or more undertakings, each of which operates at a different level of the production or distribution chain, and which agreement defines conditions under which undertakings may purchase, sell, resell certain goods or services. In such agreements the undertakings are obliged to take any measures to avoid, by their or their employees' acting, influencing free formation of prices, imposition of unfair or discriminatory conditions, abuse of dominant position or entering into prohibited agreements with their competitors.

³ EC guidelines on horizontal and vertical restraints
<https://eur-lex.europa.eu/summary/HR/legissum:cc0007>
http://www.aztn.hr/uploads/documents/tn/prijevod/52010SC0411_Smjernice_vertikalna_ogranicenja.pdf
<https://eur-lex.europa.eu/legal-content/HR/ALL/?uri=LEGISSUM:I26062>



Various professional associations and organisations are an integral part of business environment of business entities. Business entities are obliged to draw up clear guidelines and rules of procedure in professional associations defining the type of association, activities and agreements with competitors, which allow participation, as well as those which explicitly prohibit participation.

Horizontal co-operation occurs by conclusion of agreements or concerted practice between actual or potential competitors. Horizontal co-operation may often lead to significant economic advantages when it represents a means for distribution of risk, cost saving, increase of investments, knowledge consolidation, quality improvement, product diversification and driver of innovation. However, horizontal cooperation may cause problems for market competition if it causes negative market effects on prices, production, innovations but also diversity and quality of products. Therefore, to avoid risk and before entering into horizontal agreements, business entities should conduct an in-depth analysis of the type of cooperation and assessment of effects on the market competition.

III. COMPLIANCE RISK MANAGEMENT

23. Obligations and duties of the governance body:

- a) to ensure adoption of effective internal policies and procedures for identification, prevention, reporting, management, resolution, raising of employees' awareness and overseeing of risks relating to compliance
- b) to set up, in coordination with the compliance officer, a mechanism for regular and comprehensive identification of risks, their evaluation, adoption of measures for reduction and management of risks and consistent and independent monitoring of efficiency of implementation of measures for management of identified risks as well as adjustment of the measures depending on the results of monitoring their efficiency
- c) to ensure independence and efficacy of functions and implementation of internal controls and to cooperate on conducting external controls



- d) in cooperation with the compliance officer oversee implementation of measures designed as a result of internal and/or external controls, as well as own knowledge
- e) to inform the supervisory body or other comparable body, if any, about the occurrence or likely occurrence of an event, which potentially may influence business results, financial position or reputation of the business entity i.e. which poses a greater risk of offence or criminal liability to the business entity and/or its employees
- f) to periodically report to the supervisory body or other comparable body about the status of the risk and measures for reduction and management of risks
- g) to promote vision, mission, goals and strategy and to encourage binding commitment of contractual parties to refrain from participation in practices which would be contrary to internal policies and guidelines, Croatian and international standards and good business practice
- h) to avoid transactions with business entities for which is known or reasonably suspected that they perform transactions posing risk for business results, financial position or reputation of the business entity
- i) to conduct „know-your-customer“ analysis of potential contractual parties
- j) to ensure availability and operability of a mechanism for reporting irregularities, including follow-up and the possibility to raise concerns and seek advice regarding compliance risks
- k) to ensure that the compliance officer has necessary resources and authority to fulfil his duties.

24. Compliance officer's obligations and duties:

- a) to ensure application of the state-of-the-art methods, professional and international standards and good business practice



- b) to use various sources to identify and assess risks, mechanisms for consistent and independent monitoring of implementation, regularity and effectiveness of risk management measures, information and work techniques, as well as indicative list of internal policy violations and seek to identify potential risks for the business entity, probability of risk occurrence and resulting harms, if any, in cooperation with other organizational units, if any, responsible for quality and monitoring and management of risk
- c) to devote particular attention to activities for detection and prevention of corrupt practices, taking and giving of bribe in a business entity, all forms of coercion or extortion in operations of the business entity, abuse in the public procurement procedure, money laundering, abuse of inside information, capital market, market position, all forms of abuses of position and misconduct, i.e. breach of trust, trading in influence, discrimination, mobbing, as well as other forms of white-collar crimes, donations or sponsorships to political parties, acceptance of gifts or other acts outside the customary business practice and accepted principles of morality
- d) to inform periodically or, if needed, more often i.e. timely about his findings, proposals and recommendations for development and upgrading of compliance, elimination or reduction of risks, the governance and supervisory or other comparable bodies of the business entity and, if necessary, also other bodies if the circumstances or legal procedures so require
- e) to ensure, i.e. to propose to the responsible person or organisational unit, alignment of internal policies with the current regulations, good business practice and international standards
- f) to cooperate with the governance and supervisory body or other comparable body.



IV. TRAINING AND COOPERATION

25. Obligations and duties of the management body:

- a) to ensure possibilities for training and education about compliance, as well as awareness about the most recently adopted industry-related compliance policies, practices and guidelines, for all employees, especially those who in their area of responsibility face major risks for the business entity and to expand these activities to business partners, if possible
- b) as part of compliance function ensure a broad cooperation and communication with the supervisory and/or regulatory authorities, especially as part of the exchange of the prescribed and required information, documents and proofs relating to the suspected violation of regulations and taking into account restrictions arising from the protection of personal data, business, official, professional and/or state secret
- c) to ensure conditions for cooperation with expert and professional organisations in the form of a mechanism for exchange of knowledge, experiences, proposals, solutions and latest accomplishments in the area of compliance, taking into account restrictions arising from the protection of personal data, business, official, professional and/or state secrets
- d) to ensure a continuous education of persons responsible for compliance.