

# TOM Compliance Solutions

MERLYNN

Effectively managing intangible (ethical) compliance issues at transactional level

## Focus Anti-bribery: Gifting & Entertainment



### INTRODUCTION

Bribery or what is considered bribery can be open to interpretation or opinion and is often the topic of an ethical debate.

The subjective nature of this issue makes enforcing compliance with anti-bribery regulation a challenge, particularly within larger organizations.

The TOM™ technology provides a practical solution to cater for scenarios which require judgement and expertise to make appropriate decisions at transactional level.

The World Bank's Enterprise Survey, which measures the incidence of bribery in companies, shows that in some countries up to

**51%**

of all firms experience

**at least one bribe**

payment request per year.



### THE BUSINESS PROBLEM – IT'S NOT ALWAYS BLACK AND WHITE.

The reputational damage following a bribery scandal is often unquantifiable affecting shareholders, customers, even industries at large. Breaches of anti-bribery legislation carry massive penalties for the organization, and its directors in a personal capacity. In order to comply with legislation and governance principles and to mitigate this risk, organizations implement gifting and entertainment policies which employees are required to acknowledge and abide by. Gifting and entertainment policies include explicit (clear-cut) rules and parameters which are simple to understand and monitor, the complication lies in the grey areas and guidelines which require individuals to exercise discretion

By way of example, the monetary limitation placed on a gift will be clear but determining if it would be appropriate to accept the gift in the first instance would depend on the circumstances.

The rules provide boundaries, but within these rules, the organization relies on its employees to refer to guidelines and exercise judgement and discretion in determining if the gesture, its timing and value are commensurate and appropriate.

When it comes to ethics, individuals may vary drastically in their personal views on what is, and what is not, appropriate in the given circumstances, or they may be completely unaware of any impropriety or ill intent that may exist.

#### **How does the organization effectively and efficiently, manage this risk at an operational and individual employee and transaction level?**

The ideal would be to have the organization's compliance officers sign-off on every gift, they are the most suitably qualified to analyze the scenario, consider regulatory and governance principles, appreciate the risk and provide an independent unbiased decision. This is impractical if not impossible given limited human capacity

# THE SOLUTION

Merlynn's Tacit Object Modeler TOM™ is able to digitally replicate the decisions of the organization's senior compliance officers including judgement and ethical considerations.

Digitized decisions from TOM™ eliminates the capacity problem of human experts and enables the organization to automate these decisions.

Through a simple API call to TOM™ their decisions are available to the employee in real time. TOM™ decisions eliminate organizational reliance on an individual's judgement and discretion removing the risk of opinion and interpretation of policy guidelines and individuals' ethical views, placing these high-risk decisions in the hands of the persons most appropriately qualified to determine what is best for the organization. Peace of mind for those accountable.



## THE BUSINESS BENEFIT

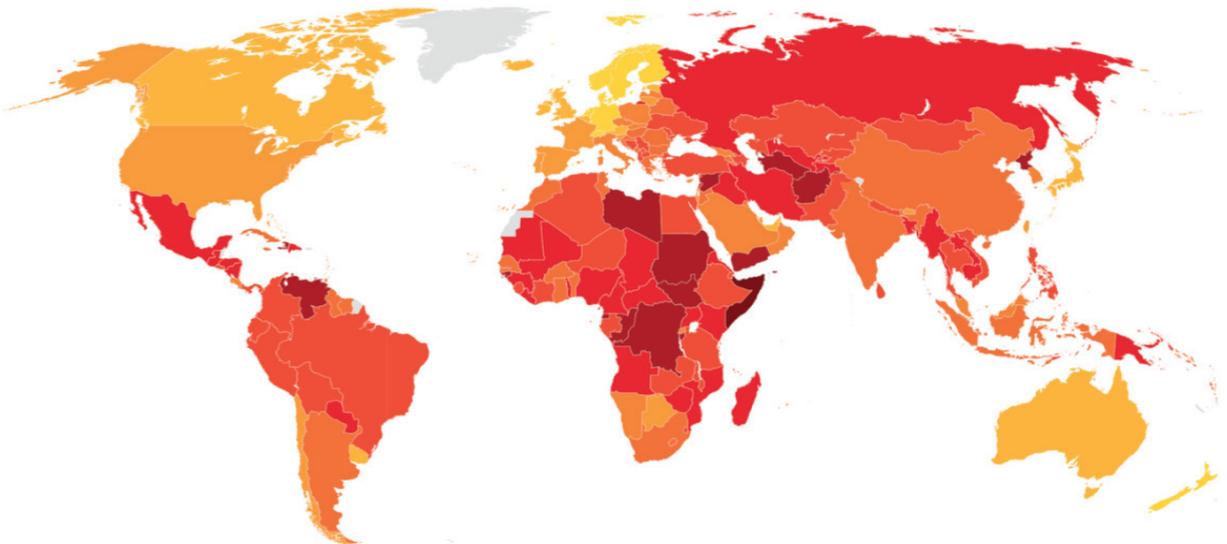
- Decision support at employee / transactional level
- Expert's decision is instantly available - improved internal customer service
- Consistent & accurate decisions reflecting expert insight
- Employees unable to manipulate guidelines, policies or impose personal view
- Resource optimization - Expert time can be spent more efficiently on higher value tasks

Corruption costs developing countries **\$1.26 trillion** every year.

That's roughly the combined size of the economies of Switzerland, South Africa and Belgium, and enough money to lift the **1.4 billion** people who get by on less than **\$1.25** a day above the poverty threshold and keep them there for at least six years.

(Source: Transparency International: Corruption Perceptions Index 2019)

Scores	Perceived as less corrupt					Perceived as more corrupt				
	100-090	089-080	079-070	069-060	059-050	049-040	039-030	029-020	019-010	009-000



Source: Transparency International  
[www.transparency.org](http://www.transparency.org)

For more information visit  
[www.merlynn-ai.com](http://www.merlynn-ai.com)