

The Banknote Ethics Initiative checklist for appointing an intermediary



High Risk Factors



- Intermediary is/has been involved in acts of corruption, e.g. bribery, extortion, fraud, collusion, money-laundering or similar activities (e.g. Intermediary has been prosecuted, convicted and/or fined by relevant authorities in any jurisdiction);
- Intermediary has been barred from tendering for third party contracts as a result of corruption;
- Services/work to be performed by the Intermediary are not legitimate or the Intermediary does not have the capability or resources to perform stated services/work; or
- Intermediary cannot be fully identified (name, address, legal entity, main shareholders etc.) and/or such identify cannot be verified
- Intermediary has no corporate policy for countering corruption or refuses to agree to anti-corruption wording in draft documentation provided by the Company.



Potential High Risk Factors



- Intermediary is the subject of allegations of corruption;
- Intermediary is based in a country where high risks of bribery and corruption exist at a governmental/public/regulatory authority level;
- Intermediary is based in a country where geo-political, socio-economic and/or security/infrastructure risks exist;
- Intermediary is based in a country where trade sanctions/embargos apply (whether they are imposed by the UK, US or elsewhere);
- Family members of Intermediary have government or regulatory authority connections;
- Intermediary nominates a third party (or offshore account) to make or receive payments;
- Intermediary requires fees/benefits for the work/services which are out of line with the market norm for the relevant sector in the relevant country;
- Intermediary has failed to provide audited annual accounts for last 3 accounting years without good reason;
- Intermediary has a conflict of interest in relation to the project.



Positive Indicators



- Due diligence has not revealed any issues;
- Intermediary is already/has been previously appointed by a subsidiary within the Company (although some updated due diligence should be undertaken from time to time);
- Intermediary has well established, global reputation with its own Code of Ethics and Anti-bribery and Corruption Policy (or equivalent) and has high profile clients;
- Intermediary is a member of a multi-national corporation with a well-established reputation with its own Code of Ethics and Anti-Bribery and Corruption policy (or equivalent);
- Reputation of the Intermediary has been independently verified (e.g. by referees or third party risk management consultants);
- Independent due diligence on the Intermediary and/or country has been carried out by a risk management consultancy and the findings are positive.