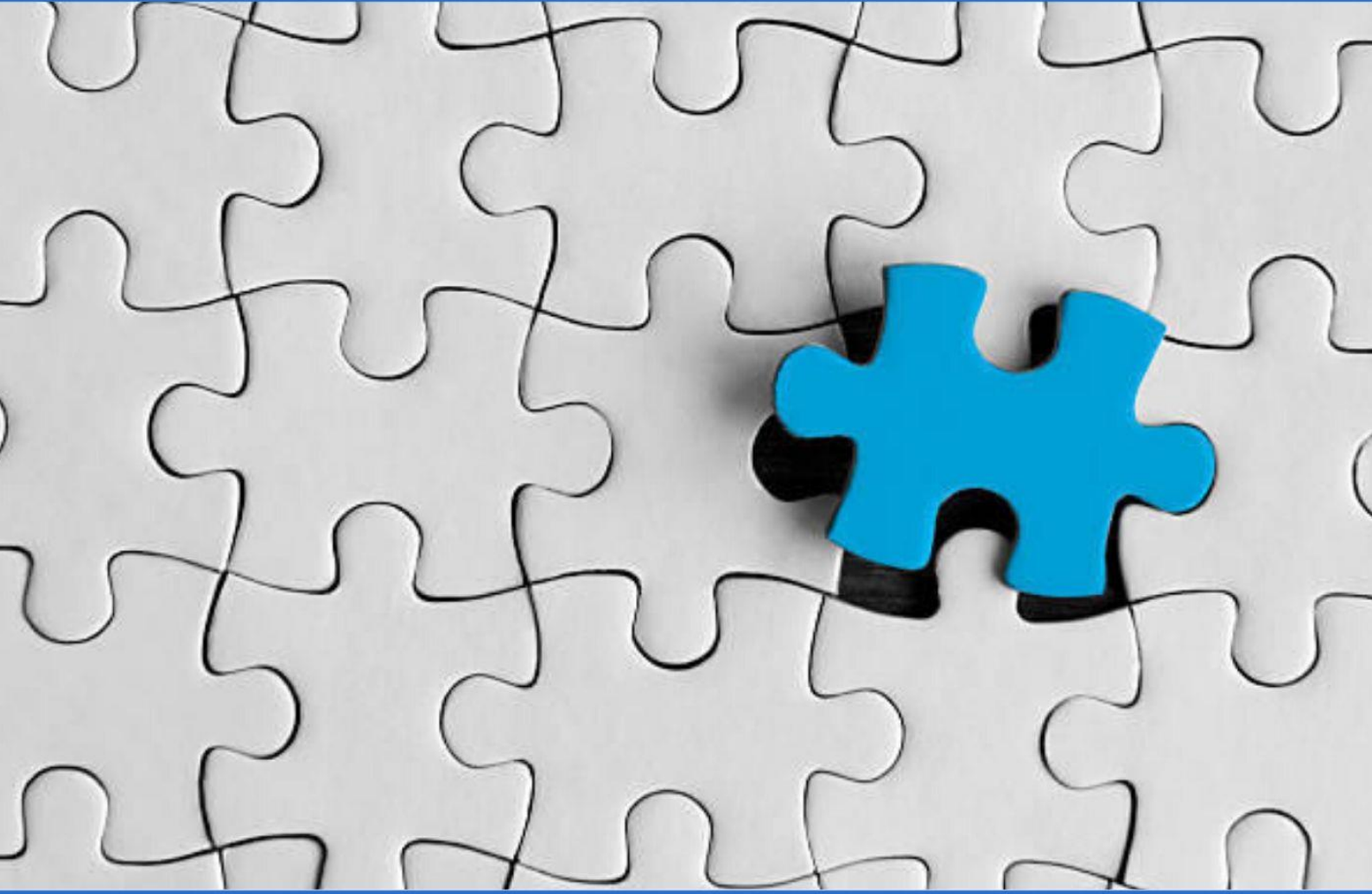


2020

# RASHEED TI-JO WORKING GLOSSARY



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*Rasheed (Transparency International-Jordan) was established at the end of 2013, as a non-for-profit civil society organization, through a group of activists working in the field of anti-corruption. Rasheed (Transparency International-Jordan) commenced work in Amman at the beginning of April 2014, and it represents the only official contact group of Transparency International in Jordan.*

*Rasheed (Transparency International-Jordan) aims to reinforce the involvement of the Jordanian citizen in anti-corruption activities, protect public, private and local governance institutions against corruption, enhance the efficiency and independence of control agencies specialized in the area of anti-corruption, strengthen the integrity of the legislative and judicial authorities, and reinforce the performance of Rasheed (Transparency International-Jordan) towards achieving its mission and vision.*

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*Rasheed TI-JO, (2020). Rasheed TI-JO Working Glossary. Rasheed for Integrity and Transparency (Transparency International-Jordan).*

## RASHEED TI-JO WORKING GLOSSARY

*This Working Glossary has been developed as a continuously evolving working tool of Rasheed TI-JO focusing on providing both a framework and practical guidance about the terms used in Rasheed TI-JO work. This tool is not intended to replace or substitute other available glossaries or to be a comprehensive glossary of all the language used in conversations regarding anti-corruption, transparency, integrity and human rights. This glossary and its definitions are not intended to be definitive, but to provide a starting point for engaging in open conversation and to build a shared language of understanding. In every context, the meaning of these words may change and evolve.*

*References and web addresses are included to provide more information on specific resource materials.*

### **ABUSE OF FUNCTIONS OR POSITION <sup>1</sup>**

– performance or failure to perform an act, in violation of laws, by a public official in the execution of his or her functions, for the purpose of obtaining a material benefits for himself or herself or for another person or entity.

### **ACCESS TO INFORMATION / RIGHT TO INFORMATION <sup>2</sup>**

– right by law – often through freedom of information legislation (acts or laws) – to access key facts and data from the government and any public body based on the notion that citizens can obtain information which is in the possession of the state.

### **ACCOUNTABILITY <sup>3</sup>**

– concept that individuals, agencies and organizations (public, private and civil society) are held responsible for reporting their activities and executing their powers properly. It also includes the responsibility for money or other entrusted property.

### **ACTIVE BRIBERY <sup>4</sup>**

– promising, offering or giving, directly or indirectly, of any undue advantage to any persons who direct or work for, in any capacity, private sector entities, for themselves or for anyone else, for them to act, or refrain from acting, in breach of their duties.

### **ADVOCACY <sup>5</sup>**

– campaign aimed at representing and protecting the rights and interests of a particular social group. Government agencies are the object of influence for the advocacy campaign; the purpose of influence is to make certain structural changes (for example, the adoption of laws) regarding the group, whose interests are being lobbied.

### **ASSET RECOVERY <sup>6</sup>**

– legal process through which a country, government and/or its citizens recover from another jurisdiction the resources and other assets that were stolen through corruption.

### **AUDIT <sup>7</sup>**

– internal or external examination of an organization's accounts, processes, functions and performance to produce an independent and credible assessment of their compliance with applicable laws and regulations.

### **AUTOMATIC EXCHANGE OF INFORMATION <sup>8</sup>**

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<sup>1</sup> Terracino J., (2008), Corruption as a Violation of Human Rights.

<sup>2</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>3</sup> Ibid.

<sup>4</sup> Council of Europe (1999). Criminal Law Convention on Corruption.

<sup>5</sup> New Generation, (2015). Tips for Beginners in Community Service.

<sup>6</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

– when the tax authorities of two or more states share financial information related to all types of wealth (including immovable property such as houses or land) and taxable activity (e.g. dividends, interests, royalties, salaries, pensions, VAT refunds, etc.) on an automatic, periodic basis. In this system, information is routinely collected in the country where the taxable activity occurs or the wealth is held, and shared with the country where taxes are due without a formal request being required. The system can be formalized in either bilateral or multilateral agreements between state parties.

### **BASE EROSION AND PROFIT SHIFTING (BEPS) <sup>9</sup>**

– refers to the erosion of a national tax base and one process by which this happens. This process is when multinational companies shift the profits generated in the country outside and into jurisdictions such as offshore financial centers with lower or zero tax, thus minimizing their tax burden. This practice is legal, but aside from eroding the tax base of countries where the profits have been made it also creates an unbalanced playing field, since small and medium sized businesses do not normally have access to these profit shifting schemes and therefore pay much higher taxes than multinationals.

### **BENCHMARKING <sup>10</sup>**

– process of obtaining understanding through a comparative study and applying it to upgrade of processes, products or services. The conception of a benchmark begins from land surveying, being a point of indication of known altitude against which other objects are evaluated.

### **BENEFICIAL OWNERSHIP <sup>11</sup>**

– refers to the natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement. (FATA Guidance: Transparency and Beneficial Ownership, October 2014).

### **BENEFICIAL OWNERSHIP SECRECY <sup>12</sup>**

– beneficial owner is the real person who ultimately owns, controls or benefits from a company or trust fund and the income it generates. The term is used to contrast with the legal or nominee company owners and with trustees, all of whom might be registered the legal owners of an asset without actually possessing the right to enjoy its benefits. Complex and opaque corporate structures set up across different jurisdictions; make it easy to hide the beneficial owner, especially when nominees are used in their place and when part of the structure is incorporated in a secrecy jurisdiction.

### **BENEFICIARY <sup>13</sup>**

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<sup>9</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>10</sup> Krishnamurthy B., (2014). Benchmarking as a Measure of Competitiveness.

<sup>11</sup> FATF, (2014). Guidance: Transparency and Beneficial Ownership.

<sup>12</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>13</sup> New Generation, (2015). Tips for Beginners in Community Service.

– recipient of certain benefits arising from the implementation of the project, the activities of the organization.

#### **BONA FIDE** <sup>14</sup>

– act made in good faith without intent of undue action. The phrase may be used in policies relating to gifts, hospitality or expenses. For instance, the FCPA provides for a 'reasonable and bona fide business expenditure' defense) and the FCPA Resource Handbook guides as an example that companies can provide reasonable and bona fide travel and lodging expenses to a foreign official.

#### **BRIBERY** <sup>15</sup>

– offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages (taxes, services, donations, favors etc.).

#### **BUREAUCRATIC OR "PETTY" CORRUPTION** <sup>16</sup>

– type of corruption that is associated with subordinate public officials using authority transferred to them by the government to extract bribes, embezzle public funds, commit fraud, and other forms of corruption. It also refers to everyday abuse of entrusted power by public officials in their interactions with ordinary citizens, who often are trying to access basic goods or services in places like hospitals, schools, police departments and other agencies.

#### **CATALYTIC** <sup>17</sup>

– role of development organizations or aid in stimulating actions on the part of other actors such as the private sector, national governments and civil society. The term is often used to refer to catalyzing additional flows for development, but a broader understanding includes catalyzing other types of change, such as behavioral change and systemic change.

#### **CIVIC SPACE** <sup>18</sup>

– set of conditions that allow civil society and individuals to organize, participate and communicate freely and without discrimination, and in doing so, influence the political and social structures around them. Core civic space rights – the rights to freedom of association, freedom of peaceful assembly and freedom of expression – are guaranteed by law, in most national constitutions and international and regional human rights instruments and as part of States ratification of these conventions are part their obligations under international law.

#### **CIVIL SOCIETY** <sup>19</sup>

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<sup>14</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>15</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>16</sup> Forgues-Puccio G., (2013). Corruption and the Private Sector: A review of issues.

<sup>17</sup> OECD, (2016). Private Sector Peer Learning. Peer Inventory 1: Private Sector Engagement Terminology and Typology.

<sup>18</sup> CIVICUS, What Is Civic Space?. Website (<https://monitor.civicus.org/whaticivicspace/>).

– arena, outside of the family, state and market where people associate to advance a common set of interests. Voluntary and community groups, non-governmental organizations (NGOs), trade unions and faith-based organizations commonly are included in this sphere, making the term broader than an NGO.

### **CIVIL SOCIETY ORGANIZATION (CSO) <sup>20</sup>**

– voluntary organized association of citizens, created to express and satisfy their interests and needs on the basis of self-government. Examples include community-based organizations and village associations, environmental groups, women’s rights groups, farmers’ associations, faith-based organizations, labor unions, co-operatives, professional associations, chambers of commerce, independent research institutes and the not-for-profit media.

### **CLIENTELISM <sup>21</sup>**

– unequal system of exchanging resources and favors based on an exploitative relationship between a wealthier and/or more powerful ‘patron’ and a less wealthy and weaker ‘client’.

### **COALITION <sup>22</sup>**

– collection of different people or groups, working toward a common goal.

### **CODE OF CONDUCT <sup>23</sup>**

– statement of principles and values that establishes a set of expectations and standards for how an organization, government body, company, affiliated group or individual will behave, including minimal levels of compliance and disciplinary actions for the organization, its staff and volunteers.

### **COERCION <sup>24</sup>**

– used in extortion, forcing another party to act in an involuntary manner by use of intimidation or threats or some other form of pressure or force.

### **COLLUSION <sup>25</sup>**

– secret agreement between parties, in the public and/or private sector, to conspire to commit actions aimed to deceive or commit fraud with the objective of illicit financial gain. The parties involved often are referred to as ‘cartels’.

### **COMMERCIAL SPONSORSHIP <sup>26</sup>**

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<sup>19</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>20</sup> OECD, (2011). How DAC Members Work with Civil Society Organizations: An Overview.

<sup>21</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>22</sup> Diversity Resource Center, (2015). Diversity & Social Justice Glossary.

<sup>23</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>24</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>25</sup> Ibid.

<sup>26</sup> Ibid.

– financial or in kind transaction made for a promotional, reputational or other business objective. The payment or other consideration is made to the rights-holder which may be an organization or an individual and the company receives contractual rights such as the right to have its name associated with an event, facility or a person.

#### **COMMUNITY BENEFIT** <sup>27</sup>

– where a company in order to win a contract from a public body, agrees to provide a community benefit such as funding an education or medical facility.

#### **COMMUNITY SPONSORSHIP** <sup>28</sup>

– financial or in kind transaction made for a promotional, reputational or other business objective. The payment or other consideration is made to the rights-holder which may be an organization or an individual and the company receives contractual rights such as the right to have its name associated with an event, facility or a person.

#### **COMPLIANCE** <sup>29</sup>

– refers to the procedures, systems or departments within public agencies or companies that ensure all legal, operational and financial activities are in conformity with current laws, rules, norms, regulations, standards and public expectations.

#### **COMPLIANCE COMMITTEE** <sup>30</sup>

– standing subcommittee of the board of directors or a board committee such as the audit or risk committee. It provides oversight for implementation of the company's compliance policies and procedures.

#### **CONFISCATION** <sup>31</sup>

– permanent deprivation of property by order of a court or other competent authority, including forfeiture where applicable.

#### **CONFLICT OF INTEREST** <sup>32</sup>

– situation where an individual or the entity for which they work, whether a government, business, media outlet or civil society organization, is confronted with choosing between the duties and demands of their position and their own private interests.

#### **CONVENTION** <sup>33</sup>

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<sup>27</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> UN General Assembly, (2003). United Nations Convention against Corruption.

<sup>32</sup> Transparency International (TI), What Is Public Sector Corruption?. Website (<https://blog.transparency.org/2011/12/02/what-is-public-sector-corruption/index.html>).

<sup>33</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).



– international and regional agreement signed or formally adopted through ratification by multiple states that establish rules, laws and standards on issues which are typically cross-border in nature and require a common approach for effective, multilateral cooperation.

#### **CORPORATE GOVERNANCE**<sup>34</sup>

– procedures and processes for how private sector organizations are directed, managed and controlled, including the relationships between, responsibilities of and legitimate expectations among different stakeholders (Board of Directors, management, shareholders, and other interested groups).

#### **CORRUPTION**<sup>35</sup>

– abuse of entrusted power for private gain. Corruption can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs.

#### **COUNTRY BY COUNTRY REPORTING**<sup>36</sup>

– form of financial reporting in which multinational corporations produce certain financial data disaggregated by country and for each country in which they operate. This data includes sales and purchases within the corporation and externally, profits, losses, number of employees and staffing costs, taxes paid and tax obligations, summaries of assets and liabilities. Currently, consolidated financial statements are the norm.

#### **COVENANT**<sup>37</sup>

– formal, written agreement between parties, usually requiring the performance of some action. In the human rights context, 'covenant' usually refers to either the International Covenant on Economic, Social and Cultural Rights or the International Covenant on Civil and Political Rights.

#### **CRONYISM**<sup>38</sup>

– type of favoritism shown by the superior to his or her subordinate based on their relationship, rather than the latter's capability or qualification, in exchange for the latter's personal loyalty. See also Clientelism, Favoritism and Patronage.

#### **CROWDFUNDING**<sup>39</sup>

– voluntary collective effort of individuals, who network and pool their money, usually via the Internet, to support efforts initiated by other people or organizations. It is gaining popularity in the field of non-profit cultural and social projects, and is also developing in the field of financing startups and individual local business ideas.

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<sup>34</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

<sup>37</sup> Fundar, International Budget Project, (2014). Dignity Counts: A Guide to Using Budget Analysis to Advance Human Rights.

<sup>38</sup> Khatri N., Tsang E., (2003). Antecedents and Consequences of Cronyism in Organizations.

<sup>39</sup> Harrington K., (2014). Cashing in on Crowdfunding.

## **CROWDSOURCING** <sup>40</sup>

– type of participative online activity in which an individual, an institution, a non-profit organization, or company proposes to a group of individuals of varying knowledge, heterogeneity, and number, via a flexible open call, the voluntary undertaking of a task. The undertaking of the task, of variable complexity and modularity, and in which the crowd should participate bringing their work, money, knowledge and/or experience, always entails mutual benefit. The user will receive the satisfaction of a given type of need, be it economic, social recognition, self-esteem, or the development of individual skills, while the crowdsourcer will obtain and utilize to their advantage that what the user has brought to the venture, whose form will depend on the type of activity undertaken.

## **DEBARMENT** <sup>41</sup>

– procedure where companies and individuals are excluded from participating or tendering projects. Governments and multilateral agencies use this process to publicly punish businesses, NGOs, countries or individuals found guilty of unethical or unlawful behavior.

## **DECLARATION** <sup>42</sup>

– legal statement of the general norms of international law or principles to which most countries would agree. Not generally, in itself, considered binding on the parties involved. Declarations do not create customary law, but they may indicate norms that have already developed. After consistent practice by a large number of countries, declarations can become customary law.

## **DISCLOSURE** <sup>43</sup>

– provision of information as required under law or in good faith, regarding activities of a private individual, public official, company or organization. Information can include a political candidate's assets, a company's financial reports, an NGO's donors or a whistleblower's accusations.

## **DISCRIMINATION** <sup>44</sup>

– actions stemming from conscious or unconscious prejudice, which favor and empower one group over others based on differences of race, gender, economic class, sexual orientation, physical ability, religion, language, age, national identity, religion and other categories.

## **DIVERSITY** <sup>45</sup>

– all the ways in which people differ, and it encompasses all the different characteristics that make one individual or group different from another. It is all-inclusive and recognizes everyone and every group as part of the diversity that should be valued. A broad definition

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<sup>40</sup> Estellés-Arolas E., Navarro-Giner R., (2015). Crowdsourcing Fundamentals: Definition and Typology.

<sup>41</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>42</sup> Donnelly J., (2005). Human Rights.

<sup>43</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>44</sup> Diversity Resource Center, (2015). Diversity & Social Justice Glossary.

<sup>45</sup> Ibid.

includes not only race, ethnicity, and gender — the groups that most often come to mind when the term "diversity" is used, but also age, national origin, religion, disability, sexual orientation, socioeconomic status, education, marital status, language, and physical appearance.

#### **DUE DILIGENCE** <sup>46</sup>

– investigation or audit of a potential business, investment or individual prior to entering into a business agreement or transaction or recruitment or appointment of individuals. Due diligence is an essential part of the anti-bribery program.

#### **EFFECTIVENESS** <sup>47</sup>

– extent to which a policy, program and/or organization's previously stated objectives or targets have been met.

#### **EFFICIENCY**<sup>48</sup>

– measuring efficiency aims to examine whether policies, programs, and/or organizations are achieving the maximum output from a given level of resources (inputs). Determining whether greater "value for money" or efficiency has been achieved however, requires an assessment against a standard of what optimal efficiency is/should be.

#### **EMBEZZLEMENT** <sup>49</sup>

– misappropriation or other diversion by a public official, for purposes unrelated to those for which the assets were intended, for his benefit or for the benefit of another person or entity, of any property, public or private funds or securities or any other thing of value entrusted to the public official by virtue of his position. The embezzlement also may appear in the private sector in the process of economic, financial or commercial activities.

#### **ENHANCED DUE DILIGENCE** <sup>50</sup>

– refers to money laundering measures that include validation and documentation by third parties and applies to situations where higher risk clients and politically exposed persons such as senior politicians, are concerned.

#### **ETHICS** <sup>51</sup>

– based on core values and norms, a set of standards for conduct in government, companies and society that guides decisions, choices and actions.

#### **EVALUATION** <sup>52</sup>

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<sup>46</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>47</sup> OECD, (2012). Glossary of Key Terms for completing the 2012 OECD Budgeting Practices and Procedures Survey.

<sup>48</sup> Ibid.

<sup>49</sup> Terracino J., (2008), Corruption as a Violation of Human Rights.

<sup>50</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>51</sup> Ibid.

– process that focuses on whether effects are as planned, permitting an assessment of the adequacy of the overall design of the process as well as the quality of implementation.

#### **EXECUTIVE DIRECTOR** <sup>53</sup>

– director who is also a senior full-time executive of the company.

#### **EXPENSES** <sup>54</sup>

– provision or reimbursement by an enterprise of travel and other related expenses incurred by a third party such as a prospective client or customer, such reimbursement not being part of a contractual agreement. Typically, these are costs of activities such as travel to view a manufacturing plant, benchmark and installation, attend training courses or a conference.

#### **EXTERNAL COMMUNICATION** <sup>55</sup>

– counterpart of internal communication. It communicates the company's integrity commitments, tone-from-the-top and its anti-bribery program to third parties and other stakeholders.

#### **EXTORTION** <sup>56</sup>

– act of utilizing, either directly or indirectly, one's access to a position of power or knowledge to demand unmerited cooperation or compensation as a result of coercive threats.

#### **FACILITATION PAYMENTS** <sup>57</sup>

– small bribe, also called a 'facilitating', 'speed' or 'grease' payment; made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement.

#### **FINANCIAL MANAGEMENT** <sup>58</sup>

– important element of program management, which should not be considered as a separate activity to be monitored by the financial service. Financial management involves planning, organizing, controlling and monitoring the financial resources of an organization in order to achieve its goals.

#### **FRAUD** <sup>59</sup>

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<sup>52</sup> Bornstein L., (2006). Systems of Accountability – Webs of Deceit? Monitoring and Evaluation in South African NGOs.

<sup>53</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>54</sup> Ibid.

<sup>55</sup> Ibid.

<sup>56</sup> Ibid.

<sup>57</sup> Ibid.

<sup>58</sup> New Generation, (2015). Tips for Beginners in Community Service.

<sup>59</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

– to cheat. The offence of intentionally deceiving someone in order to gain an unfair or illegal advantage (financial, political or otherwise). Countries consider such offences to be criminal or a violation of civil law.

### **FUNDRAISING**<sup>60</sup>

– process of attracting money and other resources by an organization (mostly non-profit) in order to implement both a specific social project and a series of projects united by one common idea or “vector of movement”. Funds can come from individuals, commercial organizations, foundations, government organizations.

### **GIFT**<sup>61</sup>

– money, goods, services or loans given ostensibly as a mark of friendship or appreciation. A gift is professedly given without expectation of consideration or value in return. A gift may be used to express a common purpose and the hope of future business success and prosperity. It may be given in appreciation of a favor done or a favor to be carried out in the future. A gift has no role in the business process other than that of marking and enhancing relations or promoting the giver’s enterprise by incorporating a logo or message on a promotional item.

### **GOOD GOVERNANCE**<sup>62</sup>

– governance that is characterized as being participatory, accountable, transparent, efficient, responsive and inclusive, respecting the rule of law and minimizing opportunities for corruption.

### **GOOD GOVERNANCE PRINCIPLES**<sup>63</sup>

– good governance has eight key characteristics, which include participation, consensus orientation, accountability, transparency, responsiveness, effectiveness and efficiency, equality and consideration of interests, and compliance with the rule of law. It implies that corruption is minimized, minority views are taken into account, and the voices of the most vulnerable are heard in decision-making. It is also appropriate to the existing and future needs of society.

### **GOVERNANCE**<sup>64</sup>

– cumulative result of the behavior and practice within and among governments. While the term government indicates the political unit (or body) for the function of policy-making, governance denotes an overall responsibility for exercising authority over both the policy-making and the related processes of administration.

### **GRAND OR “POLITICAL” CORRUPTION**<sup>65</sup>

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<sup>60</sup> New Generation, (2015). Tips for Beginners in Community Service.

<sup>61</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>62</sup> Swedish International Development Cooperation Agency, (2002). Good Governance.

<sup>63</sup> Austrian Development Agency, (2011). Good Governance: Policy document.

<sup>64</sup> Transparency International, (2013). Open Governance Standards.

<sup>65</sup> Mesticka K., (2015). Corruption in International Context.

– abuse of high-level power that benefits the few at the expense of the many, and causes serious and widespread harm to individuals and society. It also usually refers to manipulation of policies, institutions and rules of procedure in the allocation of resources and financing by political decision makers, who abuse their position to sustain their power, status and wealth.

### **HOSPITALITY** <sup>66</sup>

– entertaining including meals, receptions, tickets to entertainment, social or sports events, participation in sporting events, such activities being given or received to initiate, develop or strengthen relationships. The distinction between hospitality and gifts can blur, especially where the giver of the hospitality does not attend and act as host.

### **HUMAN RIGHTS** <sup>67</sup>

– complex and contested social practice that organizes relations between individuals, society, and the state around a distinctive set of substantive values implemented through equal and inalienable universal rights. Human rights are those rights that are inherent to being human. The concept of human rights acknowledges that every single person is entitled to enjoy his or her human rights without distinction as to race, color, gender, language, religion, etc.

### **HUMAN RIGHTS EDUCATION** <sup>68</sup>

– education, training, awareness raising, information, practices and activities which aim, by equipping learners with knowledge, skills and understanding and developing their attitudes and behavior, to empower learners to contribute to the building and defense of a universal culture of human rights in society, with a view to the promotion and protection of human rights and fundamental freedoms.

### **HUMANITARIAN LAW** <sup>69</sup>

– international rules that establish the rights of combatants and noncombatants in war, embodied in the Geneva conventions.

### **ILLICIT ENRICHMENT** <sup>70</sup>

– significant increase in the assets of a public official that he cannot reasonably explain in relation to his lawful income.

### **ILLICIT FINANCIAL FLOWS** <sup>71</sup>

– illicit financial flows describe the movement of money that is illegally acquired, transferred or spent across borders. The sources of the funds of these cross-border transfers come in three forms: corruption, such as bribery and theft by government officials; criminal activities,

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<sup>66</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>67</sup> Donnelly J., (2005). Human Rights.

<sup>68</sup> Council of Europe, (2016). Competences for Democratic Culture: Glossary of key terms.

<sup>69</sup> American Bar Association, Glossary. Website ([https://www.americanbar.org/groups/legal\\_services/flh-home/flh-glossary/](https://www.americanbar.org/groups/legal_services/flh-home/flh-glossary/)).

<sup>70</sup> Terracino J., (2008), Corruption as a Violation of Human Rights.

<sup>71</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

such as drug trading, human trafficking, illegal arms sales and more; and tax evasion and transfer mispricing.

#### **INCIDENTAL CORRUPTION**<sup>72</sup>

– small-scale corruption that involves junior public officials, such as policemen or customs officers. It produces profound public alienation and it has little macro-economic cost, but it is often hard to curb.

#### **INCLUSIVE BUSINESS**<sup>73</sup>

– efforts by the private sector to target the poor and include them into supply chains as employees, producers and business partners or through the development of affordable goods and services needed by the poor. Inclusive business has a greater focus on the profit motive than corporate social responsibility activities (ADB, 2016; Gradl and Knobloch, 2010).

#### **INTEGRITY**<sup>74</sup>

– behaviors and actions consistent with a set of moral or ethical principles and standards, embraced by individuals as well as institutions, that create a barrier to corruption. See 'ethics'.

#### **INTEGRITY PACT**<sup>75</sup>

– tool developed by Transparency International for preventing corruption in public contracting, comprising an agreement between the government agency offering a contract and the enterprises bidding for it that they will abstain from bribery, collusion and other corrupt practices for the extent of the contract. To ensure accountability, integrity pacts include a monitoring system typically led by civil society groups (Transparency International definition).

#### **INTEGRITY PILLARS**<sup>76</sup>

– TI's National Integrity System is a tool for evaluating key 'Integrity Pillars' in a country's governance system, both in terms of their internal corruption risks and their contribution to fighting corruption in society at large. When all the pillars in a National Integrity System are functioning well, corruption remains in check. If some or all of the pillars are weakened, this can allow corruption to thrive and damage a society.

#### **INTERCULTURAL DIALOGUE**<sup>77</sup>

– open exchange of views, on the basis of mutual understanding and respect, between individuals or groups who perceive themselves as having different cultural affiliations from

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<sup>72</sup> European Union, (2011). Supporting Anti-Corruption Reform in Partner Countries: Concepts, Tools and Areas for Action.

<sup>73</sup> Gradl, C., Knobloch C., (2010). Brokering Inclusive Business Models.

<sup>74</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>75</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>76</sup> Ibid.

<sup>77</sup> Council of Europe, (2016). Competences for Democratic Culture: Glossary of key terms.

each other. It requires the freedom and ability to express oneself, as well as the willingness and capacity to listen to the views of others.

#### **INTERNAL CONTROL** <sup>78</sup>

– process, effected by an entity’s board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.

#### **INTERNATIONAL BILL OF (HUMAN) RIGHTS** <sup>79</sup>

– combination of these three documents: the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR).

#### **INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS (ICCPR)** <sup>80</sup>

– adopted in 1966 and entered into force in 1976, this convention declares that all people have a broad range of civil and political rights; one of three components of the International Bill of Rights.

#### **INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS (ICESCR)** <sup>81</sup>

– adopted in 1966 and entered into force in 1976, this convention declares that all people have a broad range of economic, social and cultural rights; one of three components of the International Bill of Rights.

#### **INTERNATIONAL HUMAN RIGHTS** <sup>82</sup>

– generally referring to the rights contained in the international legal documents and treaties related to human rights that have their roots primarily in the United Nations system.

#### **JURISDICTION** <sup>83</sup>

– court’s authority to hear and/or decide a case.

#### **JUSTICE** <sup>84</sup>

– establishment or determination of rights according to rules of law and standards of equity; the process or result of using laws to fairly judge crimes and criminality

#### **KICKBACK** <sup>85</sup>

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<sup>78</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>79</sup> American Bar Association, Glossary. Website ([https://www.americanbar.org/groups/legal\\_services/flh-home/flh-glossary/](https://www.americanbar.org/groups/legal_services/flh-home/flh-glossary/)).

<sup>80</sup> Ibid.

<sup>81</sup> Ibid.

<sup>82</sup> Fundar, International Budget Project, (2014). Dignity Counts: A Guide to Using Budget Analysis to Advance Human Rights.

<sup>83</sup> American Bar Association, Glossary. Website ([https://www.americanbar.org/groups/legal\\_services/flh-home/flh-glossary/](https://www.americanbar.org/groups/legal_services/flh-home/flh-glossary/)).

<sup>84</sup> Department of Inclusion & Multicultural Engagement, Lewis & Clark College, (2014). ABC’s of Social Justice: A Glossary of Working Language for Socially Conscious Conversation.



– payment or in-kind bribe given in return for facilitating a commercial transaction such as a contract or a loan. The term kickback describes its most common form where a portion of a contract fee from an awarded contract is returned to the person approving the contract.

#### **KNOW YOUR CUSTOMER**<sup>86</sup>

– term used to describe a set of money laundering measures normally mandated by law, which are employed by banks and other financial services to document the true identity of a customer/client and his or her source of wealth to make sure it is legitimate. The KYC information is compiled and retained in a client “profile” that is periodically updated. Actual activity over the account is compared to the KYC profile to identify activity that raises suspicions of money laundering.

#### **LEGALLY BINDING**<sup>87</sup>

– having the force of law.

#### **LEGITIMACY**<sup>88</sup>

– generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.

#### **LEVERAGE**<sup>89</sup>

– having exposure to the full benefits arising from holding a position in a financial asset, without having to fully fund the position with own funds.

#### **LOBBYING**<sup>90</sup>

– any activity carried out to influence a government or institution’s policies and decisions in favor of a specific cause or outcome. Even when allowed by law, these acts can become distortive if disproportionate levels of influence exist – by companies, associations, organizations and individuals.

#### **MONEY LAUNDERING**<sup>91</sup>

– money laundering is the process of concealing the origin, ownership or destination of illegally or dishonestly obtained money by hiding it within legitimate economic activities to make them appear legal.

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<sup>85</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>86</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>87</sup> Fundar, International Budget Project, (2014). Dignity Counts: A Guide to Using Budget Analysis to Advance Human Rights.

<sup>88</sup> Suchman, M. (1995). Managing legitimacy: Strategic and institutional approaches.

<sup>89</sup> OECD, (2016). Private Sector Peer Learning. Peer Inventory 1: Private Sector Engagement Terminology and Typology.

<sup>90</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>91</sup> Ibid.

## **MONITORING** <sup>92</sup>

– process of accompanying and tracking progress, which is meant to provide awareness of difficulties, successes and adjustments in the field in a timely manner, and to allow for appropriate modifications in the design of the overall process.

## **MUTUAL LEGAL ASSISTANCE (MLA)** <sup>93</sup>

– formal process of cooperation between two or more jurisdictions, for example on cross-border money laundering, asset recovery and tax evasion cases. Through this cooperation, which is usually enacted through a treaty, a state can ask for and receive assistance in gathering information and evidence from private and public sources for use in official investigations and prosecutions.

## **NATIONAL INTEGRITY SYSTEM** <sup>94</sup>

– holistic approach to analyze both the extent and causes of corruption in a particular country by looking at the system of checks and balances and institutional pillars that form a society, including the executive, legislature, judiciary, ombudsman, media, civil society and business sector. Developed by Transparency International, this framework is useful for evaluating a country's institutional strengths and weaknesses and developing an anti-corruption strategy.

## **NEPOTISM** <sup>95</sup>

– form of favoritism based on acquaintances and familiar relationships whereby someone in an official position exploits his or her power and authority to provide a job or favor to a family member or friend, even though he or she may not be qualified or deserving.

## **NOMINEE (NOMINEE DIRECTOR / NOMINEE OWNER / NOMINEE SHAREHOLDER, ETC)** <sup>96</sup>

– nominees act as the legal manager, owner or shareholder of limited companies or assets. They act on behalf of the real manager, owner or shareholder of these entities. These nominees obscure the reality of who is really operating or benefiting from the company and are often used when the beneficial owners do not wish to disclose their identity or role in the company. Professional nominees are paid a fee for their services but otherwise have no interest in the transactions. Nominees could also be family members or friends. Often, nominees pre-sign documentation, such as letters of resignation, which the beneficial owner can choose to effect at any time.

## **NON-GOVERNMENTAL ORGANIZATIONS (NGO)** <sup>97</sup>

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<sup>92</sup> Bornstein L., (2006). Systems of Accountability – Webs of Deceit? Monitoring and Evaluation in South African NGOs.

<sup>93</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>94</sup> Ibid.

<sup>95</sup> Ibid.

<sup>96</sup> Ibid.

<sup>97</sup> Commonwealth Foundation, (1995). Non-Governmental Organizations: Guidelines for Good Policy and Practice.

– organizations which possess four defining characteristics which enable them to be distinguished from other organizations in civil society: they are voluntary, independent, not-for-profit and not self-serving.

#### **NONVIOLENCE <sup>98</sup>**

– strategy employed by social and civil advocates that stresses social and political change through acts that do not involve physical violence against oneself or others.

#### **OBSTRUCTION OF JUSTICE <sup>99</sup>**

– use of physical force, threats or intimidation, or the promise, offering or giving of an undue advantage to induce false testimony or to interfere in the giving of testimony or the production of evidence in a proceeding in relation to the commission of offences established in accordance with the United Nations Convention against Corruption.

#### **OFFSHORE FINANCIAL CENTRES <sup>100</sup>**

– countries or jurisdictions, sometimes called ‘fiscal paradises’ or ‘tax havens’, that provide financial services to non-residents on a disproportionate scale to the domestic economy as a result of financial incentives, such as minimum government interference and very low or zero tax rates

#### **OPEN GOVERNMENT <sup>101</sup>**

– citizen-centric governance, with openness as a central pillar, that aims to improve the use of public resources, facilitate inclusive decision-making processes and increase trust between governments and citizens. It implies that governments, which are more open, are governments better positioned to act effectively and efficiently, to foster private sector growth and to respond to the true needs of all citizens.

#### **OPEN GOVERNMENT PARTNERSHIP (OGP) <sup>102</sup>**

– international initiative that aims to foster more transparent, effective and accountable governments. The partnership involves governments and civil society working together to develop and implement open government reforms.

#### **OPERATIONAL TRANSPARENCY <sup>103</sup>**

– where the company opens up key processes vulnerable to corruption so that the public and other stakeholders can see, within the limits of commercial confidentiality, privacy, data protection and security, information on the processes. For instance, the tendering process

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<sup>98</sup> Department of Inclusion & Multicultural Engagement, Lewis & Clark College, (2014). ABC’s of Social Justice: A Glossary of Working Language for Socially Conscious Conversation.

<sup>99</sup> E4J, (2018). Teaching Guide for Lectures Using University Modules on Integrity and Ethics.

<sup>100</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>101</sup> World Bank, (2015). Open Government.

<sup>102</sup> OGP definition. Website (<https://www.opengovpartnership.org/>)

<sup>103</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

across its stages in public and procurement, its lobbying activities and its recruitment processes.

#### **ORGANISATIONAL TRANSPARENCY** <sup>104</sup>

– full disclosure by a company of its holdings: information is reported accessibly to the public by a company on all its subsidiaries, associates and joint ventures, including information about the percentages owned by the parent company, the countries of its incorporation and the countries in which it conducts business.

#### **OVERSIGHT** <sup>105</sup>

– process of independently monitoring and investigating – internally or externally – the operations and activities of a government agency, company or civil society organization to ensure accountability and efficient use of resources.

#### **PACTS** <sup>106</sup>

– voluntary agreement among different parties (i.e. businesses, government agencies, contract bidders) to formally commit to mutually-agreed 'rules of the game', including the refusal to engage in bribery and the promise to uphold human rights.

#### **PASSIVE BRIBERY** <sup>107</sup>

– request or receipt, directly or indirectly, by any persons who direct or work for, in any capacity, private sector entities, of any undue advantage or the promise thereof for themselves or for anyone else, or the acceptance of an offer or a promise of such an advantage, to act or refrain from acting in breach of their duties.

#### **PATRONAGE** <sup>108</sup>

– dispensation of favors and benefits such as public office, employment, contracts, subsidies, grants, honors by a patron. Patronage is often made to build and retain the support of those who benefit. This can be to retain political office or to exercise informal power.

#### **PETTY CORRUPTION**

– See "bureaucratic corruption".

#### **POLITICAL CONTRIBUTION** <sup>109</sup>

– financial and in kind gifts donated or transferred to a political party, politician or political candidate. This may include sponsorships, gifts of property or services, advertising or promotional activities endorsing a political party, the purchase of tickets to fundraising

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<sup>104</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>105</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>106</sup> Ibid.

<sup>107</sup> Council of Europe (1999). Criminal Law Convention on Corruption.

<sup>108</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>109</sup> Ibid.

events, subscriptions and affiliation fees, money to meet expenses, and loans, property, services and other facilities at less than market value. The release of employees without pay from the employer to undertake political campaigning or to stand for office could also be included in the definition.

### **POLITICAL CORRUPTION**

– See 'grand corruption'.

### **POLITICAL ENGAGEMENT** <sup>110</sup>

– ways in which a company contributes to or participates in the political process. This can include but is not limited to activities such as political contributions, indirect political expenditure, lobbying, lobbying through trade associations and other membership bodies, the revolving door, secondments, training of public sector officials and political activities related to the workplace.

### **POLITICAL WILL** <sup>111</sup>

– demonstration and commitment by political leaders to address the challenges facing society or to fulfil a political pledge, such as fighting corruption or increasing political participation, by pursuing the appropriate policy responses, including widespread reforms.

### **POLITICALLY EXPOSED PERSONS (PEPS)** <sup>112</sup>

– individuals who hold or held a prominent public function, such as the head of state or government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, or important political party officials. The term often includes their relatives and close associates. Banks and other financial institutions are supposed to treat these clients as high-risk, applying enhanced due diligence at both the start of the relationship and on an ongoing basis, including at the end of a relationship to ensure that the money in their bank account is not the proceeds of crime or corruption.

### **POSITIVE EXTERNALITY** <sup>113</sup>

– benefit(s) gained from corrupt actions.

### **PRIVATE SECTOR** <sup>114</sup>

– organizations that engage in profit-seeking activities and have a majority private ownership (i.e. not owned or operated by a government). This term includes financial institutions and intermediaries, multinational companies, micro, small and medium-sized enterprises, co-operatives, individual entrepreneurs, and farmers who operate in the formal and informal

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<sup>110</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>111</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>112</sup> Ibid.

<sup>113</sup> E4J, (2018). Teaching Guide for Lectures Using University Modules on Integrity and Ethics.

<sup>114</sup> OECD, (2016). Private Sector Peer Learning. Peer Inventory 1: Private Sector Engagement Terminology and Typology.

sectors. It excludes actors with a non-profit focus, such as private foundations and civil society organizations.

**PRIVATE-TO-PRIVATE BRIBERY** <sup>115</sup>

– bribery that takes place between commercial organizations.

**PRIVATIZATION** <sup>116</sup>

– refers to transfer of ownership and control of government or state assets, firms and operations to private investors.

**PROCUREMENT** <sup>117</sup>

– multi-step process of established procedures to acquire goods and services by any individual, company or organization — from the initial needs assessment to the contract’s award and service delivery.

**PROPERTY** <sup>118</sup>

– assets of every kind, whether corporeal or incorporeal, movable or immovable, tangible or intangible, and legal documents or instruments evidencing title to or interest in such assets.

**PROCEEDS OF CRIME** <sup>119</sup>

– any property derived from or obtained, directly or indirectly, through the commission of an offence.

**PROVISION** <sup>120</sup>

– article or clause in a treaty or other legal document.

**PUBLIC CORRUPTION/PUBLIC SECTOR CORRUPTION** <sup>121</sup>

– misuse of public power or position with an expectation of undue private gain or advantage (for self or others). It may include instances of: bribery, embezzlement, fraud, extortion, trading in influence, perverting the course of justice and exchanging goods for money or information.

**PUBLIC OFFICIAL** <sup>122</sup>

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<sup>115</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>116</sup> Khemani R., Shapiro D., (1993). Glossary of Industrial Organization Economics and Competition Law

<sup>117</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>118</sup> UN General Assembly, (2003). United Nations Convention Against Corruption.

<sup>119</sup> Ibid.

<sup>120</sup> Fundar, International Budget Project, (2014). Dignity Counts: A Guide to Using Budget Analysis to Advance Human Rights.

<sup>121</sup> Australian Criminal Intelligence Commission, (2018). Website (<https://www.acic.gov.au/about-crime/organised-crime-groups/public-sector-corruption>).

<sup>122</sup> OECD, (2006). Annual Report on the OECD Guidelines for Multinational Enterprises: Conducting Business in Weak Governance Zones.

– person, who holds a legislative, administrative or judicial office (either appointed or elected); any person exercising a public function, including for a public agency or a public enterprises (e.g. a state owned enterprise); any official or agent of a public international organization.

#### **PUBLIC SECTOR** <sup>123</sup>

– government and its decentralized units — including the police, military, public roads and transit authorities, primary schools and healthcare system — that use public funds and provide services based on the motivation to improve citizens’ lives rather than to make a profit.

#### **REALLOCATION** <sup>124</sup>

– movement of funds from one account/line-item/program to another, which can be limited by formal rules.

#### **RESPONSIBLE POLITICAL ENGAGEMENT** <sup>125</sup>

– where such engagement is based on values of integrity, legitimacy, accountability and oversight, consistency and transparency.

#### **REVOLVING DOOR** <sup>126</sup>

– movement of individuals between positions of public office and jobs in the same sector in the private or voluntary sector, in either direction. If not properly regulated, it can be open to abuse. A cooling off period is the minimum time required between switching from the public to the private sector intended to discourage the practice and minimize its impact.

#### **RISK APPETITE** <sup>127</sup>

– acceptable level of variation in performance relative to the achievement of objectives.

#### **RISK APPROACH** <sup>128</sup>

– often referred to as risk tolerance or risk appetite.

#### **RISK ASSESSMENT** <sup>129</sup>

– systematic and continuing process for identifying and analyzing inherent bribery risks to enable assessment of their likelihood and impact on the enterprise’s ability to achieve its

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<sup>123</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>124</sup> OECD, (2012). Glossary of Key Terms for completing the 2012 OECD Budgeting Practices and Procedures Survey.

<sup>125</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>126</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>127</sup> Rittenberg L., Martens Fr., (2012). Enterprise Risk Management — Understanding and Communicating Risk Appetite.

<sup>128</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>129</sup> Ibid.

commitments and objectives. Within the framework of the risk approach of the enterprise, the results of risks assessments are used to decide the controls to be implemented to mitigate the risks.

### **RISK TOLERANCE** <sup>130</sup>

– acceptable level of variation relative to achievement of a specific objective, and often is best measured in the same units as those used to measure the related objective. In setting risk tolerance, management considers the relative importance of the related objective and aligns risk tolerances with risk appetite. Operating within risk tolerances helps ensure that the entity remains within its risk appetite and, in turn, that the entity will achieve its objectives.

### **ROYALTIES** <sup>131</sup>

– payments in any form received as a reward for the use or granting of the right to use copyright on intellectual property.

### **RULE OF LAW** <sup>132</sup>

– legal and political systems, structures and practices that condition a government’s actions to protect citizens’ rights and liberties, maintain law and order, and encourage the effective functioning of the country.

### **SECONDMENT** <sup>133</sup>

– temporary placement of a company employee in a public position or a public sector employee or elected official to the private sector. Typically, placements vary in length from a few weeks to even a year or more.

### **SECRECY JURISDICTION** <sup>134</sup>

– secrecy jurisdictions are territories, including cities, states/provinces and countries that encourage the relocation of otherwise foreign economic and financial transactions through strong privacy protection rules. These jurisdictions ensure that the identity of those relocating their money through them cannot be disclosed. This often undermines legislation and regulation of another jurisdiction. Many secrecy jurisdictions are also tax havens.

### **SEIZURE** <sup>135</sup>

– temporarily prohibiting the transfer, conversion, disposition or movement of property or temporarily assuming custody or control of property on the basis of an order issued by a court or other competent authority

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<sup>130</sup> Rittenberg L., Martens Fr., (2012). Enterprise Risk Management — Understanding and Communicating Risk Appetite.

<sup>131</sup> New Generation, (2015). Tips for Beginners in Community Service.

<sup>132</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>133</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>134</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>135</sup> UN General Assembly, (2003). United Nations Convention against Corruption.



## **SHARED VALUE** <sup>136</sup>

– term refers to the result of policies and operating practices that enhance the competitiveness of a company while simultaneously advancing economic and social conditions in communities where it operates (Commonwealth of Australia, 2015).

## **SHELL COMPANY** <sup>137</sup>

– company or corporation that is a limited liability entity having no physical presence in their jurisdiction, no employees and no commercial activity. It is usually formed in a tax haven or secrecy jurisdiction and its main or sole purpose is to insulate the real beneficial owner from taxes, disclosure or both. Shell companies are also referred to as international business companies, personal investment companies, front companies, or "mailbox"/"letterbox" companies.

## **SIGNATORY/SIGNATORY STATES** <sup>138</sup>

– countries that have signed a treaty, convention or covenant.

## **SOCIAL JUSTICE** <sup>139</sup>

– broad term for action intended to create genuine equality, fairness and respect among peoples.

## **SOLICITATION** <sup>140</sup>

– act of a person asking, ordering or enticing someone else to commit bribery or another crime.

## **SOLICITATION OF BRIBERY** <sup>141</sup>

– act of a person asking or enticing someone to commit bribery or a related breach of trust.

## **SOLIDARITY** <sup>142</sup>

– unity or agreement based on shared interests and objectives; long-term mutual support within and between groups.

## **SPONSORSHIP** <sup>143</sup>

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<sup>136</sup> Commonwealth of Australia (2015). Creating Shared Value Through Partnership: Ministerial Statement on Engaging the Private Sector in Aid and Development.

<sup>137</sup> Ibid.

<sup>138</sup> American Bar Association, Glossary. Website ([https://www.americanbar.org/groups/legal\\_services/flh-home/flh-glossary/](https://www.americanbar.org/groups/legal_services/flh-home/flh-glossary/)).

<sup>139</sup> Diversity Resource Center, (2015). Diversity & Social Justice Glossary.

<sup>140</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>141</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>142</sup> Department of Inclusion & Multicultural Engagement, Lewis & Clark College, (2014). ABC's of Social Justice: A Glossary of Working Language for Socially Conscious Conversation.

<sup>143</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

– transaction where a company makes a payment, in cash or in kind, to associate its name with a rights holder and receives in consideration for the sponsorship fee, rights and benefits such as the use of the rights holder’s name, advertising credits in media, events and publications, use of facilities and opportunities to promote its name, products and services. It is a business transaction and part of promotion and advertising. See also Community sponsorship.

#### **STAKEHOLDER ENGAGEMENT** <sup>144</sup>

– process used by a company to exchange views, inform stakeholders of the company’s activities on topics of material interest and to report back on outcomes of previous exchanges.

#### **STAKEHOLDERS** <sup>145</sup>

– are those groups who affect and/or could be affected by an organization’s activities, products or services and associated performance. This does not include all those who may have knowledge of or views about an organization. Organizations will have many stakeholders, each with distinct types and levels of involvement, and often with diverse and sometimes conflicting interests and concerns.

#### **STATE CAPTURE** <sup>146</sup>

– situation where powerful individuals, institutions, companies or groups within or outside a country use corruption to influence a nation’s policies, legal environment and economy to benefit their own private interests.

#### **SUBSIDIARY** <sup>147</sup>

– separate legal entity in which the company (the parent or holding company) has a controlling equity interest or exercises a de facto controlling interest, by means such as the right to nominate members of the board of directors and thereby control the board, founder/priority shares, preferred shares, a controlling foundation or other devices.

#### **SUBSIDY** <sup>148</sup>

– direct or indirect payment, economic concession, or privilege granted by a government to private firms, households, or other governmental units in order to promote a public objective. Identification of a subsidy is often complicated because of the variety of subsidy instruments, the multiplicity of the objectives they are designed to serve, and the complexity of their effects.

#### **SUPPORT FUNCTIONS** <sup>149</sup>

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<sup>144</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>145</sup> Ibid.

<sup>146</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>147</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>148</sup> Encyclopaedia Britannica, (2016). Website (<https://www.britannica.com/topic/subsidy>).

– staff functions which support the design and implementation of the anti-bribery program. They include: compliance, ethics, legal, finance, internal audit, security, corporate affairs, public or government affairs, communications and human resources.

### **SUSTAINABLE DEVELOPMENT GOALS** <sup>150</sup>

– inter-governmental commitment plan of action for sustainability also known as the Global Goals, which was adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The 17 SDGs are integrated – that is, they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

### **SWOT ANALYSIS** <sup>151</sup>

– situational analysis that is used when an organization decides to change its operations, assess the market situation, plan for the future with respect to Strengths, Weakness, Opportunities, and Threats (SWOT).

### **SYSTEMATIC CORRUPTION** <sup>152</sup>

– corruption type that affects, for instance, a whole government department. It can have a substantial effect on government revenues and it may divert trade and/or development as well as it can only be dealt with by sustained reform. False names on a payroll may be an example of this type.

### **SYSTEMIC CORRUPTION** <sup>153</sup>

– type of corruption that is described by kleptocracy or government by theft. In this case honesty becomes irrational, and there is a huge developmental impact.

### **TAX EVASION / TAX AVOIDANCE** <sup>154</sup>

– illegal non-payment or under-payment of taxes, usually by deliberately making a false declaration or no declaration to tax authorities – such as by declaring less income, profits or gains than the amounts actually earned, or by overstating deductions. It entails criminal or civil legal penalties. Tax avoidance is the legal practice of seeking to minimize a tax bill by taking advantage of a loophole or exception to the rules, or adopting an unintended interpretation of the tax code. It usually refers to the practice of seeking to avoid paying tax by adhering to the letter of the law but opposed to the spirit of the law. Proving intention is difficult; therefore, the dividing line between avoidance and evasion is often unclear.

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<sup>149</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>150</sup> UNDP. What are the Sustainable Development Goals?. Website (<https://www.undp.org/content/undp/en/home/sustainable-development-goals.html>).

<sup>151</sup> Ommani A., (2011). SWOT Analysis for Farming System Businesses Management: Case of Wheat Farmers of Shadervan District, Shoushtar Township, Iran

<sup>152</sup> Riley S., (1997). Corruption and Development: A Review of Issues.

<sup>153</sup> Ibid.

<sup>154</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

## **TAX HAVEN** <sup>155</sup>

– jurisdictions, including cities, states or countries that grant favorable tax treatment which can benefit non-residents. They attract relocation of economic transactions to their territory by applying no or minimal tax rates. They typically host a range of financial service providers. Many tax havens are also secrecy jurisdictions.

## **THIRD PARTY** <sup>156</sup>

– for anti-corruption purposes, a third party is a prospective or contracted business associate including agents, distributors, lobbyists, brokers, consultants and other intermediaries, joint venture and consortia partners, contractors, vendors and suppliers.

## **THIRD SECTOR** <sup>157</sup>

– sector that is separated from public and private sectors, and is represented by the organizations, which are formed on the own initiative of the founders, independent from the will of the authorities or officials, and without the purpose of profit gaining for its redistribution between the members of organizations.

## **TRADING IN INFLUENCE** <sup>158</sup>

– promising, offering or giving to a public official or any other person, or the solicitation or acceptance by a public official or any other person, directly or indirectly, of an undue advantage in order that the public official or the person abuse his real or supposed influence with a view to obtaining from an administration or public authority an undue advantage for the original instigator of the act or for any other person. It is also commonly divided into its active form (giving an advantage in exchange for influence) and its passive form (requesting or accepting an advantage in exchange for influence).

## **TRANSFER PRICING / TRANSFER MISPRICING** <sup>159</sup>

– process through which parent companies and/or subsidiaries of the same parent, in different countries, establish a price for goods or services between themselves. Transfer mispricing is the abusive manipulation of this process for the purpose of avoiding or reducing taxes across all entities. This takes place when related firms agree to manipulate the price of their internal transactions in order to declare less profit in higher-tax jurisdictions and therefore reduce their total tax payments. It deliberately generates profit and hides or accumulates money in the jurisdiction where the tax bill is low.

## **TRANSPARENCY** <sup>160</sup>

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<sup>155</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>156</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

<sup>157</sup> Popowska M., Lunski M., (2014). Third Sector Characteristics and Importance.

<sup>158</sup> Terracino J., (2008), Corruption as a Violation of Human Rights.

<sup>159</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

<sup>160</sup> Ibid.

– characteristic of governments, companies, organizations and individuals of being open in the clear disclosure of information, rules, plans, processes and actions. As a principle, public officials, civil servants, the managers and directors of companies and organizations, and board trustees have a duty to act visibly, predictably and understandably to promote participation and accountability and allow third parties to easily perceive what actions are being performed.

#### **TREATY** <sup>161</sup>

– written contract between States. Legally binding on States that ratify it.

#### **TREATY BODY** <sup>162</sup>

– group established to oversee compliance with a treaty.

#### **UNDUE ADVANTAGE** <sup>163</sup>

– improper or unfair benefit whether promised, given or received.

#### **UPPER-LEVEL CORRUPTION** <sup>164</sup>

– relates to presidents, ministers, members of the legislature, governors and other high-ranking officials.

#### **VALUE** <sup>165</sup>

– something that an individual or community believes has worth that merits it being pursued, promoted or privileged. This can be a thing (money, food, art), a state of mind (peace, security, certainty) or a behavior that results from those things or states of mind (protecting innocents, telling the truth, being creative).

#### **WASTA** <sup>166</sup>

– kind of favoritism that refers as the use of personal connections to get the needed public services.

#### **WHISTLEBLOWING** <sup>167</sup>

– making a disclosure in the public interest by an employee, director or external person, in an attempt to reveal neglect or abuses within the activities of an organization, government body or company (or one of its business partners) that threaten public interest, its integrity and reputation. This term is originated from English language, and is largely positive although many languages lack a similar concept with the same connotation.

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<sup>161</sup> Fundar, International Budget Project, (2014). Dignity Counts: A Guide to Using Budget Analysis to Advance Human Rights.

<sup>162</sup> Ibid.

<sup>163</sup> Transparency International (TI), Global Anti-Bribery Guidance. Website (<https://www.antibriberyguidance.org/glossary>).

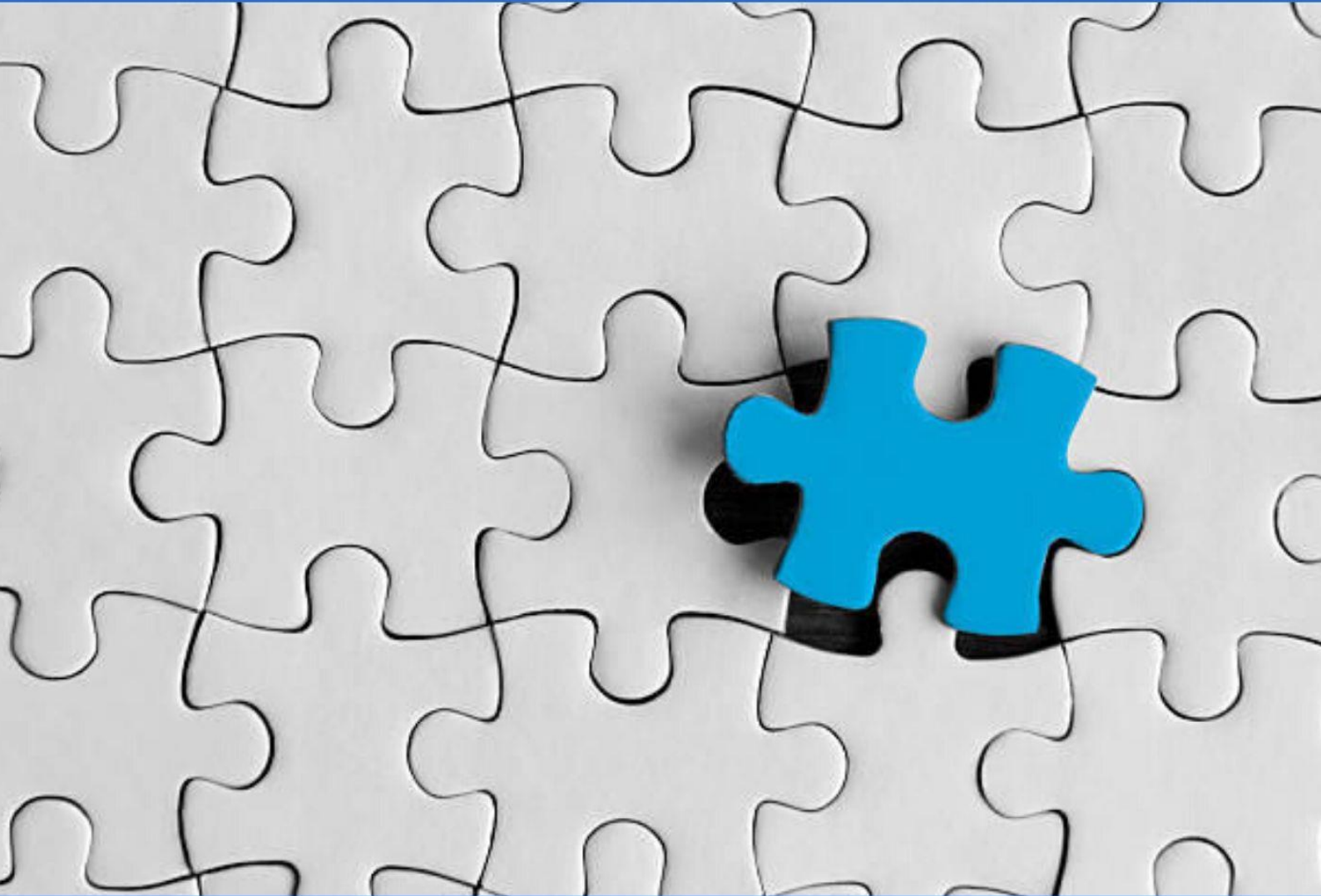
<sup>164</sup> Morris St., (2011). Forms of Corruption.

<sup>165</sup> E4J, (2018). Teaching Guide for Lectures Using University Modules on Integrity and Ethics.

<sup>166</sup> Transparency International, (2019). Global Corruption Barometer: Middle East & North Africa.

<sup>167</sup> Transparency International (TI), Anti-Corruption Glossary. Website (<https://www.transparency.org/glossary>).

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