

## Draft act on Transparency in Public Life

Work on the Act on Transparency in Public Life is being finalized. The act shall constitute i.a. key regulation on anti-corruption practices for businesses in Poland.

The entry into force of the Act is planned for March 2018.

The new solutions regarding the fight against corruption include:

1. Implementation and application of anti-corruption procedures, in particular:
  - anti-corruption clauses in contracts
  - code of ethics for employees, coworkers and contractors
  - procedures and guidelines regarding gifts and other benefits
  - informing employees and coworkers on legal liability for corruption offences
  - preparing a list of job positions especially exposed to corruption risks, presenting corruption risks characteristic for a given company
  - developing procedures for informing about corruption proposals
  - regulations preventing the use of a company's funds for personal purposes of third parties
2. Restrictions regarding the employment of public officials.
3. Protection of 'whistleblowers', i.e. persons who inform law enforcement agencies about any irregularities in the company.

### Who will be affected by the changes?

Most changes will concern all entrepreneurs.

#### Particular regulations shall concern:



Entrepreneurs, who hire more than 50 employees.



Entrepreneurs, who have an annual net turnover exceeding the PLN equivalent of EUR 10 M.



Obligated companies, i.e. companies with a shareholding of the State Treasury.

## What are the penalties?



- Financial penalties in the amount between PLN 10 K - 500 K for hiring public officials who had decided on the company's matters in the past
- Obligation to pay severance pay for the period of 24 months and the legal costs in case of the termination of the contract with the whistleblower
- Financial penalties between PLN 10 K and PLN 10 M PLN for ineffectiveness of internal anti-corruption procedures or lack thereof
- Fine, restriction of freedom or imprisonment of up to 3 years for failure to implement new obligations

## How to prepare?

- Preparation of a code of ethics for entrepreneurship
- Effective introduction of the criminal liability principles for criminal offences to the employees
- Preparation of a list of job positions especially exposed to corruption risks
- Presenting corruption risks characteristic for a given company
- Determination of procedures and guidelines regarding gifts and other benefits received by the employees
- Development of the procedures for informing the company's management about corruption proposals as well as other circumstances that may potentially be related to higher corruption risk
- Preparation of anti-corruption clauses in contracts

## Our legal advice



- Carrying out anti-corruption internal audits
- Preparation and implementation of a system of anti-corruption procedures in corporate relations as well as relations with employees and contractors
- Preparation of anti-corruption clauses
- Division of competences between the Members of the Board
- Carrying out trainings



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