

Client Alert

October 2017

Official Guidelines on Internal Control Measures for Anti-Corruption Compliance Released

As noted in our previous alert on the amendment to the Organic Act on Counter Corruption, B.E. 2542 (1999) (refer to [link](#)), companies operating in Thailand are now required to have in place "appropriate internal control measures" to ensure compliance with the law and to limit its potential liability from acts of bribery which are carried out by its connected persons and for its benefit (including the potential liability for companies' directors).

The question since the law was introduced has therefore been "what are such appropriate internal control measures?". To put it another way, how can companies ensure that they have sufficient internal controls in place which would satisfy the foregoing requirement. In order to provide guidance on this matter, the Office of the National Anti-Corruption Commission has now announced "Guidelines on Appropriate Internal Control Measures for Juristic Persons to Prevent Bribery to State Officials, Foreign Public Officials, and Agents of Public International Organizations" (the "Guidelines").

The internal control measures under the Guidelines comprise eight fundamental elements. These are:

- 1) strong, visible policies and support from top-level management to prevent bribery;
- 2) risk assessment to effectively identify and evaluate exposure to bribery;
- 3) enhanced and detailed measures for high-risk and vulnerable areas;
- 4) application of anti-bribery measures to business partners;
- 5) accurate books and accounting records;
- 6) human resource management policies complementary to anti-bribery measures;
- 7) communication mechanisms that encourage the reporting of suspicion of bribery; and
- 8) periodic review and evaluation of anti-bribery prevention measures and their effectiveness.

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It is important to note that the Guidelines recognize that there is no "one-size-fits-all" solution and, significantly, whether or not the internal control measures which are implemented by a company will be deemed to be sufficient, will ultimately



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depend on a number of internal and external factors, including the level of corruption risks that a company may face in its day-to-day operations.

For more information or advice, please contact Baker McKenzie.