

Anti-bribery and corruption policy



Version 7

September 2020

Owner: General Counsel

1. ***PRS for Music* anti-bribery and corruption policy statement**
 2. **Business relevance**
 3. **Policy**
 4. **What is a bribe?**
 5. **Responsibility**
 6. **What is not acceptable?**
 7. **Gifts and hospitality**
 8. **Facilitation payments and kickbacks**
 9. **Donations and sponsorship**
 10. **Due diligence**
 11. **Compliance by *PRS for Music* personnel, its subsidiaries and its business partners**
 12. **How to raise a concern**
 13. **Internal control and audit**
 14. **Training and communication**
 15. **Monitoring and review**
- Appendix**
- Potential risk scenarios: 'Red flags'
- Changelog**

This document is mandatory reading for all *PRS for Music* personnel, its subsidiaries and its business partners, which includes all individuals working at all level and grades, including senior managers, directors, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home workers, casual workers, volunteers, interns, sponsors, agents, agency staff, or any other person associated with us wherever located, and sets out *PRS for Music's* compliance statement followed by the detail of *PRS for Music's* anti-bribery and corruption policy (referred to below as the 'Bribery Policy'). If you have any concerns or questions in relation to the application of this policy, please do not hesitate to contact Legal.

1. *PRS for Music* anti-bribery and corruption policy statement

It is *PRS for Music's* policy to conduct all of its business in an honest and ethical manner. *PRS for Music* has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and implementing and enforcing effective systems to counter bribery.

PRS for Music has made a clear and unequivocal commitment to ensure that it takes all steps to prevent bribery and corruption by implementing the following measures:

- Setting out a clear anti-bribery and corruption policy and keeping it up to date.
- Making all *PRS for Music* personnel, its subsidiaries and its business partners aware of their responsibilities to adhere strictly to this Bribery Policy at all times.
- Assessing levels of risk at *PRS for Music* and training all *PRS for Music* personnel so that they can recognise and avoid the use of bribery by themselves and others.
- Encouraging *PRS for Music* personnel, its subsidiaries and its business partners to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately.
- Rigorously investigating instances of alleged bribery.
- Taking firm and vigorous action against any individual(s) involved in bribery.
- Providing information to *PRS for Music* personnel, its subsidiaries and its business partners as to how to report breaches and suspected breaches of this Bribery Policy.

The actions and conduct of *PRS for Music's* officers, directors and employees as well as others acting on *PRS for Music's* behalf, such as our sub-contractors, agents and consultants, including overseas agents and other collecting societies, are essential to maintaining these standards. *PRS for Music's* personnel, its subsidiaries and its business partners will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which *PRS for Music* operates.

2. Business relevance

PRS for Music is bound by the laws of the UK, including the *Bribery Act 2010* ('the Act'), to ensure that activities undertaken by us or on our behalf both at home and overseas do not violate anti-bribery laws.

The UK has the toughest bribery legislation in the world, and it is vigorously enforced. The Act provides for a stringent regime of bribery offences to cover bribery both in the UK and abroad.

The Act means that *PRS for Music* may be found liable for bribery and corruption committed by *PRS for Music* personnel, its subsidiaries and its business partners without its knowledge or consent, regardless of where the alleged activity took place, unless *PRS for Music* can show that it has put in place adequate measures to prevent such bribery or corruption. Bribery and corruption are punishable for individuals by up to ten years' imprisonment, an unlimited fine, or both, and if *PRS for Music* is found to have taken part in corruption, it could face an unlimited fine and serious damage to its reputation. *PRS for Music* therefore takes its legal responsibilities very seriously.

All *PRS for Music* personnel, its subsidiaries and its business partners must read, become familiar with, and comply with this Bribery Policy. *PRS for Music* may take disciplinary measures against you, and this may result in loss of employment, if we become aware of a failure to comply. *PRS for Music* may also terminate its contractual relationships with any third party if we become aware that such third party has engaged in bribery or other corrupt conduct, whether on our behalf or otherwise.

We may amend this Bribery Policy from time to time.

3. Policy

This Bribery Policy sets out the responsibilities of all *PRS for Music* personnel and its business partners in observing and upholding *PRS for Music's* position on bribery and corruption. The Bribery Policy provides a coherent and consistent framework to enable *PRS for Music* personnel and its business partners to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents, it will also enable *PRS for Music* personnel and its business partners to identify and effectively report a potential breach.

4. What is a bribe?

A bribe is an inducement or reward offered, promised or given in order to gain any commercial, contractual, regulatory or personal advantage. In essence, it is an inducement or reward for a person to perform a duty, function or activity improperly. A bribe may be a financial or other advantage of any amount or value and could take the form of a cash gift, a facilitation payment, lavish hospitality or other valuable consideration.

5. Responsibility

- Members' Council has overall responsibility for ensuring this Bribery Policy complies with *PRS for Music's* legal obligations and ethical standards, and that all those providing services for *PRS for Music* or under *PRS for Music's* control, comply with it. Whilst the Audit Committee will handle reports of breaches of this policy of which Members' Council must be made aware. Compliance is being overseen by Legal and any queries should be directed in the first instance to the Lead Counsel: Compliance.
- Legal has primary and day-to-day responsibility for implementing this Bribery Policy, monitoring its use and effectiveness and dealing with any queries on its interpretation.
- Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this Bribery Policy and are given adequate and regular training on it.

- All *PRS for Music* personnel, its subsidiaries and its business partners must read, understand and comply with this Bribery Policy.

6. What is not acceptable?

It is not acceptable for *PRS for Music* personnel, its subsidiaries and its business partners (or someone on their behalf) to induce or to undertake improper performance of a duty, activity or function. This means that it is not acceptable, for example, to:

- Give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- Give, promise to give, or offer, a payment, gift or hospitality in order to 'facilitate' or expedite a routine procedure.
- Accept payment from a third party that you know, or suspect, is offered with the expectation that it will obtain a business advantage for them.
- Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return.
- Threaten or retaliate against any *PRS for Music* personnel, its subsidiaries or its business partners who have refused to commit a bribery offence or who has raised concerns under this Bribery Policy.
- Engage in any activity that might lead to a breach of this Bribery Policy.

7. Gifts and hospitality

The giving and receiving of gifts and hospitality can build understanding and expand relationships in everyday business life, but it can also, in the absence of adequate transparency and accountability, cause a conflict of interest between personal interests and professional duty.

This Bribery Policy does not prohibit reasonable, proportionate and appropriate gifts or hospitality given to or received from third parties, provided the gift or hospitality complies with this Bribery Policy.

The intention behind the gift or hospitality will be critical. Gifts and hospitality will generally not be considered reasonable, proportionate or appropriate if they lead to a sense or feeling of obligation on the part of the recipient to, for example, start, continue or change the terms of a business relationship. Determining what is acceptable and what is unacceptable requires individuals to exercise good judgment and moderation but as a guide, the giving or receiving of bona fide gifts or hospitality in the course of business will not be prohibited, if the following requirements are met:

- it is not made with the intention of influencing a third party to perform an activity, function or duty improperly, in order to obtain or retain a business advantage and cannot be construed as a bribe or a pay-off;
- it complies with local law;
- it does not include the giving or receiving of cash;
- taking into account the reason for the gift or hospitality, it is of an appropriate type and value, given at an appropriate time and has a relevant business rationale;
- it is given or received openly, not secretly;

- it cannot be viewed as disproportionately lavish, both looked at as a single event or as a total over a period; and
- it would not embarrass either *PRS for Music* or the individual if it was publicly disclosed.

Invitations in respect of industry awards and events and musical concerts/festival are presumed to be acceptable within reason.

You should always consider the following questions in relation to gifts or hospitality:

- Would the gift or hospitality be likely to or appear to influence my objectivity or the objectivity of the person to whom I am giving or from whom I am receiving it?
- Would my impartiality or the impartiality of the person to whom I am giving or from whom I am receiving the gift or hospitality be compromised in any way or appear to others to be compromised?
- Is the hospitality for a private purpose as opposed to being for a business purpose? For example, is business going to be discussed as part of the event or only in a very limited way?
- Would the gift or hospitality be considered unique or extraordinary?
- Would it be a problem or would I be embarrassed if I were to disclose the gift or hospitality to other employees or third parties?
- Is the value of the gift or hospitality £100 or above per person in any 12 month period?

If the answer to any of the above questions is 'yes' or 'perhaps' or could be perceived by third parties to be 'yes' or 'perhaps', you should seek guidance from Legal as to whether to give or receive the gift or hospitality. If you have any suspicions, concerns or queries regarding a gift or hospitality, you should raise these with Legal.

The following procedure is also to be adopted by *PRS for Music* personnel, its subsidiaries and its business partners in relation to the giving or receiving of gifts or hospitality:

- You may not offer or accept any gift or hospitality from any individual or organisation which, either individually or in aggregate, taken over a 12 month period, is £100 or above without the prior approval of your manager or without seeking guidance from Legal.
- All gifts or hospitality offered, given or received that are £100 or above, including those refused because they do not comply with this Bribery Policy, must be accurately and properly recorded in accordance with the procedure set out below.
- Gifts or hospitality should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of your manager or without seeking guidance from Legal.

The practice of giving business gifts or hospitality varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift or hospitality should always be considered. All *PRS for Music* personnel, its subsidiaries and its business partners must ensure they conform to the laws of the countries where a gift or hospitality is given or received. You are reminded to ensure that any gifts given or received are treated correctly in relation to local tax rules. In the UK, an individual receiving gifts by reason of his/her employment is liable to income tax upon the value of the gift.

You should declare any gift or hospitality which you either give or receive, and which is of a value, or of an approximate value, of £100 or above, including hospitality that is being hosted by *PRS for Music* (e.g. providing tickets to Glastonbury, the Ivors or PRS Presents). Please declare all such gifts or hospitality by using the [Gift Declaration Form](#).

8. Facilitation payments and kickbacks

PRS for Music does not make, and will not accept, facilitation payments or 'kickbacks' of any kind.

Facilitation payments are typically unofficial payments made to secure or expedite a routine action. They are not commonly paid in the UK, but can be common in some other jurisdictions in which we operate. Facilitation payments are illegal under the Act, even if they are nominal in amount.

Kickbacks are payments made in return for a business favour or advantage.

All *PRS for Music* personnel, its subsidiaries and its business partners must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

If you are asked to make a payment on *PRS for Music's* behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment.

If you have any suspicions, concerns or queries regarding a payment, you must raise these with Legal.

9. Donations and sponsorship

PRS for Music does not make contributions to political parties and *PRS for Music* only makes charitable donations or provides sponsorship for events/causes that are approved by its members, and are legal and ethical under local laws and practices.

If you have been authorised to make a donation or sponsor an event and you have any concerns in relation to the application of this Bribery Policy, you must raise them with Legal.

10. Due diligence

When engaging with third parties on behalf of *PRS for Music*, you must always ensure that you take such steps as may be appropriate to know and understand who the third party is and how they conduct their business. All third parties should only be engaged with the prior input of Legal.

In conducting business internationally, *PRS for Music* personnel, its subsidiaries and its business partners must also be aware of and employ special scrutiny in 'red flag' situations that create greater risks of non-compliance. Some of these situations may also be relevant when conducting business in the UK. These situations include, but are not limited to:

- Close family, personal or business ties that a prospective agent, representative or business partner may have with government/corporate officials/directors or employees- if in doubt, please contact Legal.

- A history of corruption in the country.
- Requests for cash payments.
- Requests for payment to be made in a third country or to a third party, or other unusual payment arrangements.
- Requests for reimbursements of extraordinary or vague expenses.
- Over-invoicing or lack of standard invoices.
- A refusal by an agent, representative or business partner to certify that it will not take any action in furtherance of a corrupt payment.

If anything approaching these situations arises or you think that it might arise, you must seek guidance from Legal.

11. Compliance by *PRS for Music* personnel, its subsidiaries and its business partners

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for or on behalf of *PRS for Music* or who are otherwise under *PRS for Music's* control. All *PRS for Music* personnel, its subsidiaries and its business partners are required to avoid any activity that might lead to a breach of this Bribery Policy.

All *PRS for Music* managers must ensure that all employees are aware of and comply with this Bribery Policy and all *PRS for Music* personnel must ensure that they read, understand and comply with the policy.

PRS for Music also expect consultants, agents and any other third party who acts in *PRS for Music's* name or on its behalf to act in accordance with the principles of this Bribery Policy. All people who are involved in retaining any such third party are responsible for ensuring that they are made aware of this Bribery Policy and our expectation that they act in accordance with its principles. *PRS for Music* personnel and its business partners are required, where relevant, to include *PRS for Music's* anti-bribery clauses in any agreements that are entered into for and on behalf, or in connection with, *PRS for Music*. Please seek advice from Legal.

You must notify your manager or Legal as soon as possible if you believe or suspect that a conflict with this Bribery Policy has occurred or may occur in the future.

Breaching this Bribery Policy can have serious consequences for *PRS for Music* and for *PRS for Music* personnel. Those who fail to follow the Bribery Policy put themselves, their colleagues and *PRS for Music* at risk. This is taken very seriously, and accordingly, failure to comply with the principles and steps set out in this Bribery Policy may result in disciplinary action against employees, which could result in serious consequences, including dismissal. *PRS for Music* may also terminate its contractual relationships with any third party if we become aware that such third party has engaged in bribery or other corrupt conduct, whether on our behalf or otherwise.

12. How to raise a concern

PRS for Music personnel are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your manager or Legal. Concerns can also, where appropriate be reported by following the procedure set out in our Whistleblowing Policy. A copy of our Whistleblowing Policy can be found on the [Intranet](#).

a) What to do if you are a victim of bribery or corruption

It is important that you contact Legal as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

b) Protection for employees raising a concern

PRS for Music personnel who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, may be worried about possible repercussions. *PRS for Music* aims to encourage openness and will support anyone who raises genuine concerns under this Bribery Policy, even if they turn out to be mistaken.

PRS for Music is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future.

13. Internal control and audit

Internal control systems will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

PRS for Music keeps financial records and has appropriate internal controls in place which demonstrate the business reason for making payments to third parties.

PRS for Music personnel must declare and keep a proper and reasonably detailed written record of all hospitality or gifts accepted, offered or rejected, which will be subject to managerial review.

PRS for Music personnel must ensure all expenses claims relating to hospitality, gifts or expenses given to third parties are properly recorded in reasonable detail and must specifically record the reason for and amount of the expenditure.

Other than in extraordinary and exceptional circumstances, no payment to any third party or its representative may be made in cash or other than by wire transfer or cheque to a bank account in such third party's or representative's name in the country where the third party or representative regularly provides services for *PRS for Music*.

14. Training and communication

PRS for Music will communicate this Bribery Policy and any relevant guidance to all *PRS for Music* personnel through our established internal communication channels. *PRS for Music* will also provide such training on this Bribery Policy to *PRS for Music* personnel as may be relevant and appropriate.

PRS for Music's zero-tolerance approach to bribery and corruption must be communicated to all *PRS for Music* subsidiaries and business partners at the outset of its business relationship with them and as appropriate thereafter.

15. Monitoring and review

Legal will review the implementation of this Bribery Policy and will regularly look at its suitability, adequacy and effectiveness, and make improvements as appropriate. Legal will periodically report the results of this process to the Compliance Group, which will make an independent assessment of the adequacy of the Bribery Policy and disclose any material non-compliance to the Audit Committee.

This policy will be reviewed annually by the policy owners listed on page 1.

Appendix

Potential risk scenarios: 'Red flags'

The following is a list of possible red flags that may arise during the course of you working for *PRS for Music* and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for *PRS for Music*, you must report them immediately to your manager and Legal:

- (a) You become aware that a third party engages in, or has been accused of engaging in improper business practices;
- (b) You learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a 'special relationship' with foreign government officials;
- (c) A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) A third party requests an unexpected additional fee or commission to 'facilitate' a service;
- (g) A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) A third party requests that a payment is made to 'overlook' potential legal violations;
- (i) A third party requests that you provide employment or some other advantage to a friend or relative;
- (j) You receive an invoice from a third party that appears to be non-standard or customised;
- (k) A third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- (n) You are offered an unusually generous gift or offered lavish hospitality by a third party.

Changelog

May 2015	Corporate hospitality policy incorporated into Anti-bribery and corruption policy. No further changes made at this time.
December 2015	Updated to clarify applicability to subsidiaries and responsibility and reporting framework. No other changes made at this time.
December 2016	Updated to clarify aspects of gifts and hospitality and removal of corporate hospitality policy. No other changes made at this time.
April 2017	Updated to clarify aspects of gifts and hospitality and refer to the need to include anti-bribery clauses in third party agreements. No other changes made at this time.
February 2019	Updated to reflect changes to the 'Legal' team structure and name which is, as of 19 February 2019, 'General Counsel', and introduction of the newly established Compliance Group which has oversight of anti-bribery and corruption matters. No other changes made at this time.
December 2019	Updated to reflect the new Whistleblowing policy and make minor formatting changes to the policy. No other changes made at this time.
September 2020:	Updated to reflect changes to the 'Legal' team structure, new links to the Gifts and Hospitality Declaration Form, to update the fact that gifts given and received must be declared, as well as minor formatting changes.