



# Guidance:

## Facilitation Payments

Title	Guidance – Facilitation Payments
Version	V2.0
Author	Ethics & Compliance Counsel
Process Owner	Director, Ethics & Compliance
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## Introduction

As a large multinational company, we have a responsibility to conduct business to the very highest ethical standards and build positive relationships with the communities around us.

To help us meet this responsibility, this guidance is provided for Rolls-Royce employees to assist them in understanding what a Facilitation Payment is, our legal and ethical obligations to avoid paying them and how Rolls-Royce employees should deal with a situation where a Facilitation Payment is requested.

As per our Anti-Bribery and Corruption (ABC) Policy contained in our Group Policies Manual, as a principle, we do not pay Facilitation Payments whether or not they are permitted by local or other laws.

### 1. Roles and Responsibilities

Employees must not offer, make or authorise Facilitation Payments or other advantages (no matter how small the payments are).

Employees must ensure that all requests for Facilitation Payments are reported to their Line Manager and their business Ethics & Compliance Team. If colleagues do not feel comfortable reporting it to their Line Manager and their business Ethics & Compliance Team, they can use the Ethics Line to make a report of a request for a facilitation payment.

The Head Office Ethics and Compliance Team will maintain and update this guidance as required.

### 2. Facilitation Payments

#### 2.1 What is a Facilitation Payment?

Our ABC Policy defines a Facilitation Payment as “a payment made to a Government Official in exchange for them taking (or speeding up) decisions or actions”.

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Facilitation Payments are also known as ‘speed or grease payments’ and are a type of (normally small) bribe, typically requested to expedite administrative processes such as visa applications, customs clearance, administrative procedures, etc.

## 2.2 Characteristics of Facilitation Payments

**Situational:** They occur in situations where a Government Official (as defined in our Group Policies Manual) demands a bribe to provide a service or approval to which a person or company is entitled i.e. something over which the Government Official has no official discretion. Demands may often be backed by a threat of a fine or other adverse consequence.

**Transactional:** Facilitation Payments are commonly demanded in certain transactions or activities, typically in travel, logistics or requests for approvals of some kind such as visas, licences, certificates, utility services or regulatory approvals.

**Many forms:** Like other bribes, Facilitation Payments can take the form of cash, vouchers, pre-paid phone cards, alcohol, perfume, cigarettes, and tickets to events (i.e. anything of value).

## 2.3 What is Rolls-Royce’s stance on Facilitation Payments?

Rolls-Royce **prohibits** Facilitation Payments. The only exception is making a payment to avoid or prevent an imminent threat to the health, safety or welfare of a Rolls-Royce employee (we consider this extortion rather than a Facilitation Payment). In such cases, the employee should immediately inform a member of their business Ethics & Compliance team and their Line Manager.

If an employee fails to comply with our policy on not paying Facilitation Payments, they will likely be subject to disciplinary proceedings up to and including dismissal.

## 2.4 Why does Rolls-Royce need to avoid paying Facilitation Payments?

Rolls-Royce is subject to a number of laws that prohibit Facilitation Payments. Prosecutions under one of these laws could lead to significant fines, reputational damage and loss of business.

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Furthermore, the payment of Facilitation Payments is contrary to our zero-tolerance approach to bribery and corruption and undermines our efforts to be an organisation that acts with integrity. Corruption, such as Facilitation Payments, is proven to divert public resources away from vital government services and functions (particularly impactful in developing countries) and is anti-competitive for business.

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### 3. How to prepare for and what to do if a Facilitation Payment is requested?



1. Certain countries pose increased Facilitation Payment risks. Consult the Transparency International Corruption Perceptions Index (Appendix A) to understand the corruption risk and the likelihood of a Facilitation Payment being requested in a particular country.



2. On request, will refusal to make a payment put you or others or any property in immediate danger?

You should take whatever steps necessary, including paying a payment, to protect your safety and freedom and that of others. When it is safe to do so you should immediately inform your Line Manager and/or your business Ethics & Compliance Team.



3. If there is no such threat to safety or freedom, **refuse** to make the Facilitation Payment and explain that Rolls-Royce prohibits them. If the other party insists that the payment is legitimate, seek advice from your business Ethics and Compliance Team if there is time. Alternatively, request a receipt and ask to see independent proof that the payment is a legitimate, legal requirement.



4. You should note the details of the request and when appropriate immediately report the request to your Line Manager and your business Ethics and Compliance Team (even if you refused to make the payment).

### 4. Facilitation Payment Scenarios

The following are examples of Facilitation Payment scenarios you could experience whilst working for Rolls-Royce and guidance around what the right response would be:

**Question 1:** I am overseeing the repair of a Rolls-Royce product in a foreign country. As part of the repair, we need to import some equipment. We are under time pressure, but the equipment has not cleared customs. I have been told by a custom’s official that it will take another four weeks to clear customs unless I pay them a special fee of £200 in cash. There is no official fast track service

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available, but unless I pay the £200 we will not meet the customer's deadline. Is it acceptable to make the payment?

**Answer 1:** No. This is a request for a Facilitation Payment. There is no official arrangement for a fast track service and the official requested the payment in cash.

**Question 2:** I need to go away on business as soon as possible to handle an urgent issue and require a visa. The normal visa process takes two weeks and costs £50. My manager tells me that the relevant embassy will, upon payment of a premium fee of £150, provide the visa under a same-day service. As Rolls-Royce needs me to travel on short notice, he will pay this fee out of his budget. I am worried that this may be a Facilitation Payment. Should I report him to the Ethics Line?

**Answer 2:** A report is not required. You are right to be cautious and to raise your concerns. However, you have nothing to worry about here. The fast track service is an official service offered by the embassy and there is an official price list which sets out this fee payable directly to embassy rather than a Government Official. This is not a Facilitation Payment

**Question 3:** I am travelling on business and have been illegitimately detained at a security checkpoint. One of the border guards said that I must have a flu vaccination before entering the country and the border official has produced a syringe of unknown origin. He also said that he can remove the requirement for the vaccination if I pay him \$200 in cash. I am worried that I will be infected by the needle. Will I be in breach of the ABC Policy if I pay the \$200?

**Answer 3:** You will not be in breach of the ABC Policy if you pay the \$200 to avoid the "vaccination". This is clearly a threat to your health and safety and you should therefore pay the money immediately. You should report the issue as soon as possible afterwards and will not be punished for making a payment in these circumstances if you report it.

## 5. Additional Reading

To support your understanding of our approach to facilitation payments and bribery and corruption you should also read the following:

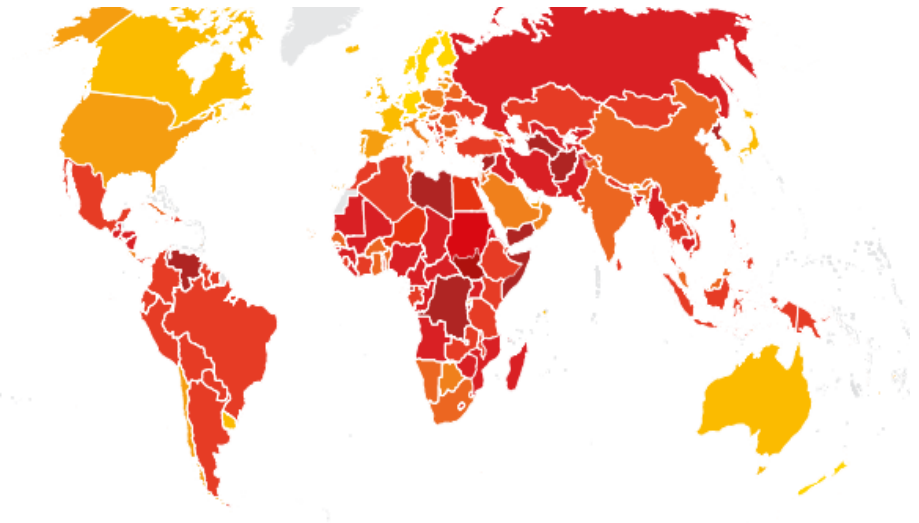
- Our Code
- Anti-Bribery and Corruption Policy

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# Appendix A – Transparency International Corruption Perceptions Index

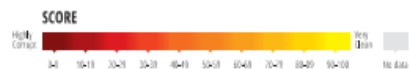


## CORRUPTION PERCEPTIONS INDEX 2021



The perceived levels of public sector corruption in 180 countries/territories around the world.

SCORE	COUNTRY/TERRITORY	SCORE	COUNTRY/TERRITORY	SCORE	COUNTRY/TERRITORY	SCORE	COUNTRY/TERRITORY						
88	Denmark	67	Chile	53	Cyprus	42	Burkina Faso	36	Moldova	30	Laos	23	Iraq
88	Finland	67	United States of America	53	Rwanda	42	Bulgaria	36	Panama	30	Paraguay	23	Zimbabwe
88	New Zealand	65	Barbados	53	Saudi Arabia	41	Timor-Leste	36	Peru	30	Togo	22	Eritrea
85	Norway	64	Bahamas	52	Oman	41	Belarus	35	Albania	30	Kenya	21	Congo
85	Singapore	63	Qatar	52	Slovakia	41	Trinidad and Tobago	35	Bosnia and Herzegovina	29	Angola	21	Guinea-Bissau
85	Sweden	62	Korea, South	49	Armenia	41	India	35	Mali	29	Liberia	20	Chad
84	Switzerland	62	Portugal	49	Greece	40	Maldives	35	Mongolia	29	Comoros	20	Comoros
82	Netherlands	61	Lithuania	49	Jordan	40	Kosovo	35	Thailand	29	Haiti	20	Haiti
81	Luxembourg	61	Spain	49	Namibia	40	Colombia	35	Egypt	28	Russia	20	Nicaragua
80	Germany	59	Israel	48	Malaysia	40	Ethiopia	34	Myanmar	28	Mauritania	20	Sudan
78	United Kingdom	59	Croatia	47	Malta	39	Guyana	34	Pakistan	28	Pakistan	20	Burundi
76	Hong Kong	59	Latvia	46	Cuba	39	Morocco	34	Sierra Leone	28	Uzbekistan	19	Democratic Republic of the Congo
74	Canada	59	Saint Vincent and the Grenadines	46	Montenegro	39	North Macedonia	33	Nepal	28	Cameroon	19	Burundi
74	Iceland	58	Cabo Verde	45	China	39	Suriname	33	Philippines	27	Kyrgyzstan	19	Turkmenistan
74	Ireland	58	Costa Rica	45	Romania	39	Tanzania	33	Zambia	27	Uganda	19	Equatorial Guinea
74	Estonia	57	Slovenia	45	Sao Tome and Principe	39	Vietnam	33	Algeria	27	Bangladesh	17	Libya
74	Austria	56	Italy	45	Vanuatu	39	Argentina	32	Eswatini	26	Madagascar	17	Afghanistan
73	Australia	56	Poland	44	Jamaica	39	Brazil	32	Ukraine	26	Mozambique	16	Korea, North
73	Belgium	56	Saint Lucia	44	South Africa	38	Indonesia	31	Gabon	26	Guatemala	16	Yemen
73	Japan	55	Botswana	44	Tunisia	38	Lesotho	31	Mexico	25	Guinea	16	Venezuela
73	Uruguay	55	Dominica	44	Ghana	38	Serbia	31	Niger	25	Iran	14	Somalia
71	France	55	Fiji	43	Hungary	38	Turkey	31	Papua New Guinea	25	Tajikistan	13	Syria
70	Seychelles	55	Georgia	43	Kuwait	38	Gambia	31	Azerbaijan	24	Lebanon	13	Syria
69	United Arab Emirates	54	Czechia	43	Senegal	37	Kazakhstan	30	Bolivia	24	Nigeria	11	South Sudan
68	Bhutan	54	Malta	43	Solomon Islands	37	Sri Lanka	30	Djibouti	24	Central African Republic		
68	Taiwan	54	Mauritius	42	Bahrain	36	Cote d'Ivoire	30	Dominican Republic	23	Cambodia		
		53	Grenada	42	Benin	36	Ecuador	30	Honduras	23	Honduras		



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