



ANALYSIS OF CORRUPTION RISKS FOR INVESTORS IN VIETNAM

REPORT OF STUDY

The Centre for Social Governance Research (CENSOGOR) is a Vietnamese non-government organisation registered under Vietnam Union of Science and Technology Associations (VUSTA). Being established as a result of the Transparency International (TI)'s Vietnam Programmes (2009 - 2015) to sustain anti-corruption activities in Vietnam, CENSOGOR draws on more than eight years of experience and expertise in anti-corruption in Vietnam, as well as the regional and global network of TI.

The Vietnam Business Forum (VBF) was established in 1997 during the annual Consultative Group meeting between the Vietnamese Government and its donor partners, as a not-for-profit, non-political channel for nurturing public-private dialogue to develop a favorable business environment that attracts domestic and foreign private sector investment and stimulates sustainable economic development in Vietnam. This is done primarily through high profile bi-annual Forums between the business community and Vietnamese leadership and through specialized Working Groups cutting across sectors.

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TABLE OF CONTENTS

A. INTRODUCTION	3
B. AIM OF THE STUDY	4
C. METHODOLOGY	5
D. CONCLUSION	6
General conclusions	6
Private procurement	7
Routine government services	9
Gifts and entertainment to government officials	10
E. RECOMMENDATIONS AND BEST PRACTICE OBSERVATIONS	11
Recommendations and best practice observations for corporations	11
Recommendations for public policy	13
F. DETAILED RESULTS	15
Private procurement	15
Routine government services	15
Gifts and entertainment to government officials	17
Your perception of high risk business practices in Vietnam	20
APPENDIX A - Terms of Reference for Study and Report	26
APPENDIX B - Anonymised information on participating companies	31
APPENDIX C – Questionnaire	35
APPENDIX D - Analysis of corruption risks for investors in Vietnam	45

A. INTRODUCTION

1. Vietnam is one of a number of ASEAN countries frequently ranked as “high risk” in terms of corruption. For example, Transparency International’s 2016 Corruption Perceptions Index ranks Vietnam in 113th place in terms of perceived levels of corruption (out of 176 countries surveyed), with a score of 33 out of 100 (a score of 100 indicating the least perceived corruption). Other surveys have reported similar high instances of corruption in the country in both the public and private sectors¹. In response, the Vietnamese government has been taking steps to address corruption in the country, most significantly through its amendments to Vietnamese anti-bribery legislation and in particular the anticipated criminalisation of private sector bribery².
2. Although corruption risk in Vietnam has been considered in a number of published studies, few studies have concentrated specifically on Vietnam and on the subject of corruption risk there. Given that the nature of corruption can vary between countries, especially considering the importance of country specific factors such as culture and government policy in influencing corrupt behaviour, a country specific study is valuable. Given Vietnam’s recent efforts to counter corruption in both the private and public sectors, it is hoped that one of the benefits of this study will be to provide a snapshot of individual companies’ experiences of potential corruption and high risk behaviour.
3. With this in mind, between 7 November 2016 and 30 November 2016, the Vietnamese Business Forum’s Governance & Integrity Working Group (“G&I WG”), with the assistance of Duane Morris & Selvam LLP (“DMS”) together with the Centre for Social Research Development (“CENSOGOR”) completed a study of foreign invested companies’ experiences of inappropriate business practices in Vietnam (the “Study”). The Study has been prepared further to the Terms of Reference for Study and Report dated 23 September 2016 and attached at Appendix A.

¹ See for example “ASEAN Business Outlook Survey, The ASEAN Economic Community and Beyond 2016” published by AmCham and the U.S. Chamber of Commerce (<http://www.amcham.org.sg/public-affairs/publications/asean-business-outlook-survey-2016/>).

² Enforcement of Criminal Code 2015, which has been partially criminalized, is temporarily being postponed.

4. This report sets out the aim of the Study followed by its methodology, conclusions and detailed results.

B. AIM OF THE STUDY

5. The aim of the Study has been to assess the experiences and mitigation strategies of foreign invested companies in Vietnam in relation to high risk business activities, which may be relevant to or indicative of corruption offences under Vietnamese law and applicable foreign laws. The Study does not aim to investigate or report on the commission of criminal offences. The reason for focussing on foreign invested companies is twofold: first, to provide some consistency in the types of company chosen for the Study; and second to allow the results of the Study to inform potential foreign investors of risk areas which they may face when doing business in Vietnam.
6. The Study concentrated on three areas of business activity (“Relevant Study Areas”):
 - 6.1 private procurement: being the purchasing of goods and/or services by the companies interviewed and specifically on gifts and entertainment, conflict of interest situations and conduct of tender processes;
 - 6.2 routine government authorisations: being the companies’ experiences of dealing with Vietnamese government officials in obtaining routine government authorisations (such as obtaining licences, or customs clearance for imported goods); and
 - 6.3 gifts and entertainment regarding government officials: being the companies’ views on the expectations of gifts and entertainment by government officials in Vietnam

C. METHODOLOGY

Sample Selection and interviews

7. 21 companies participated in the Study (“Participating Companies”). A list summarising anonymised information about the Participating Companies is attached at Appendix B. The sample size was smaller than the 31 participating companies originally anticipated in view of 10

companies dropping out of the Study. Notwithstanding the smaller sample size, the results of the Study still remain valuable in identifying perceptions of bribery risk as well as recommendations on mitigating this risk.

8. An interview was scheduled with a senior representative (holding the position of Director, Country Manager, Managing Director, Head of Legal or Head of Compliance) of each Participating Company.
9. The interview lasted approximately 1 hour and 30 minutes.
10. Given the limited number of Participating Companies, the quantitative conclusions reached in this report should be read in the context of the sample size being small.
11. Notwithstanding this, the detailed personal experiences recorded from the face to face meetings with representatives of the Participating Companies has allowed a more detailed insight into the types of high risk behaviour encountered.

Anonymity of Participating Companies

12. The Study and this report does not identify the Participating Companies.
13. All representatives of Participating Companies attending the interview were informed of the anonymity of the Study and the Report using the form of words set out in the “Anonymity of this questionnaire” section of the standard form Questionnaire (attached at Appendix C).

Form of questionnaire

14. The Participating Companies were presented with and asked to respond to the questions in a questionnaire in the form set out at Appendix C.
15. The questionnaire is divided into the following areas:
 - 15.1 background questions regarding the Participating Company;
 - 15.2 questions on private procurement, including questions on:
 - 15.2.1 gifts and entertainment;
 - 15.2.2 conflicts of interest; and
 - 15.2.3 requests for proposals (RFPs);
 - 15.3 questions on routine government authorisations;
 - 15.4 questions on gifts and entertainment; and

15.5 the Participating Company's Perception of High Risk Business Practices in Vietnam.

16. A proportion of the questions were multiple choice questions and a proportion of the questions required the Participating Company to give an answer with further explanation.
17. The questions are designed to avoid eliciting any answers which may imply criminal conduct by the Participating Company. Proceeding on this basis, the questions focus either on the Participating Company's experience of requests to engage in relevant high risk business conduct, or the views of the Participating Company on whether they may be expected to behave in a potentially inappropriate manner (such as the expectation of gifts and entertainment from public officials).

Other guidelines given to Participating Companies

18. Participating Companies were asked to limit their responses to their experience of the last 12 months, unless otherwise requested by the question.
19. They were informed that "government officials" or "public officials" meant anyone employed by a Vietnamese government department or agency as well as anyone employed by an entity controlled or majority owned by the Vietnamese government.

D. CONCLUSIONS

GENERAL CONCLUSIONS

20. The results of the Study suggest that corruption risk in Vietnam arising out of high risk business practices is a significant challenge for foreign invested companies in the country. In particular, the giving and receiving of personal gifts and/or other advantages in both private to private and private to public business contexts was seen as a fact of business life and a common view was that nothing could be done about it. Expectations from government officials for gifts or cash were also reported as widespread.
21. A common viewpoint reported was that cultural differences and in particular differences between the culture "locally" and the expectations set by Participating Companies' own ethical policies in their home countries were challenges. Some Participating Companies candidly stated that this represented a competitive disadvantage for those

companies that implemented ethical standards. One company stated that they did not expect to win the next government contract because they refused to pay bribes or provide lavish gifts to government officials.

22. Almost all Participating Companies stated that there would be an expectation from government officials for gifts, entertainment and/or other advantages in routine interactions. Some respondents put this down to low government salaries and the fact that certain government officials had to pay for their positions and therefore needed recover that investment through soliciting informal cash payments.
23. Notwithstanding the above, Participating Companies were generally aware of the risks and appeared to take those risks seriously by implementing ethical policies and reportedly enforcing them.
24. We set out below the Study's conclusions on the Relevant Study Areas and certain recommendations.

PRIVATE PROCURMENT

Potentially inappropriate advantages provided in private business relationships

25. The giving of advantages to individuals within companies during and following commercial negotiations is a high-risk business practice. In particular, if an advantage is provided to an individual (such as a procurement officer) in return for that individual giving business to the giver, then that can constitute bribery. Two common forms of advantage looked at were gifts and entertainment and kick-backs/cash obtained through dummy invoicing.
26. The results of the Study indicated that small gifts and entertainment appear to be a very common part of private commercial relationships of the Participating Companies with 17 (81% of) Participating Companies reporting that receiving gifts from service providers at times other than national holidays. However, larger value gifts, which are more likely to be deemed bribes were rare with only one Participating Company reporting receiving a gift with a value greater than Vietnamese Dong ("VND") 2 million (about USD 88.00).
27. However, the practice of requesting invoices with a value lower or higher than the agreed value of the goods or services (sometimes known as "dummy invoicing") was more widespread, with 7 out of the 21 Participating Companies reporting such requests. Requests for "dummy invoices" can be indicative of inappropriate advantages being given.

Invoices for amounts higher than the amount actually charged for may be used to facilitate excessive reimbursement claims, with the excess amount being provided as a bribe. Similarly, invoices for amounts lower than agreed can be indicative of tax evasion or avoidance of customs duties.

Conflicts of Interest

28. Undeclared conflicts of interest among employees and service providers create a risk of corruption as an incentive exists for an employee to abuse his or her position within the company for private gain. This risk is particularly high where management or procurement staff have such a conflict of interest.
29. The Study found that conflicts of interest were an issue for certain Participating Companies:
 - 29.1 2 (or 10% of) Participating Companies reported one or more employees holding the position of director or shareholder in a service provider to that Participating Company;
 - 29.2 5 (or 24% of) Participating Companies reported that their management and/or procurement staff had relatives who held the position of director or shareholder in a service provider;
 - 29.3 6 (or 29% of) Participating Companies were requested to employ specific service providers by client personnel, who they believed had a financial interest in the service provider.
30. The Study also found instances of contracts potentially being awarded because of a conflict of interest: with 4 (or 20% of) Participating Companies reported being aware (in the last 12 months) of a contract being awarded to a third party because of the employee holding a personal financial interest in that company or a relative of the employee having an interest in that third party.
31. A number of Participating Companies reported anecdotally that it was very common for employees and their families to have financial and business interests in addition to their employment, such that these conflicts of interests were “unavoidable” in Vietnam.
32. Despite the number of instances of conflicts of interest observed, it was notable that a large number of Participating Companies (18, or 86%) reported having written rules or procedures for their employees to declare conflicts of interest.

Requests of Proposals (“RFP”)

33. Tender processes can be a significant risk area for private corruption, where tenderers may offer rewards to the tendering company in return for being awarded a contract or being included in the invitation to submit an RFP. Tenderers may also collude in order to artificially increase the contract price, which can manifest itself in bids of very similar amounts.
34. 5 (or 24% of) Participating Companies reported employees being offered cash or a percentage of the contract value, in return for including a service provider in an RFP and 3 (or 14% of Participating Companies) reported being aware of employees accepting those offers (in all instances the Participating Companies reported dismissing the employee). Most Participating Companies stated that his behaviour was common practice in their experience.
35. 7 (or 33% of) Participating Companies reported being aware of bids for similar amounts (less than 5% difference) being received in different tender submissions.

ROUTINE GOVERNMENT SERVICES

36. Requests for advantages by government officials (also referred to as public officials) in order to carry out routine government services, if met can constitute a criminal offence in Vietnam as well as under other potentially applicable anti-corruption legislation such as the UK Bribery Act and the US Foreign Corrupt Practices Act. Requests may be direct, or may be directed via third parties (such as consultants)
37. The Study found that such requests from government officials were common with 13 Participating Companies (62%) reporting such requests in the last 12 months. All requests were for cash. The majority of Participating Companies stated that they expected government officials to make informal requests for cash or other advantages. 10 Participating Companies (48%) also reported being asked informally to use a third party non-government intermediary when paying for a government service. Using such intermediaries informally could be a mechanism of hiding inappropriate payments to government officials.
38. Most Participating Companies commented that a failure to make payments would lead to delays rather than a refusal to provide the service.
39. Of the government departments, the Customs authorities were most frequently identified as being the source of such requests (10

Participating Companies (or 48%) reporting requests from the Customs Department).

40. A significant number of Participating Companies (7, or 33%) also stated that they had refused to use a government service because of concerns of requests for advantages.
41. Other frequently reported requests from government officials included:
 - 41.1 requests to employ relatives of the government official – which could constitute a form of bribery if accepted in return for a government service; and
 - 41.2 requests to support government linked charities (11 Participating Companies, or 52%) – this carries the risk of the charity being illegitimate and being a mechanism for bribe payments.
42. Requests for advantages from government officials appeared to be a problem most acutely (although not exclusively) faced by smaller Participating Companies, with some large organisations stating that their size and reputation meant they did not receive such requests.

GIFTS AND ENTERTAINMENT TO GOVERNMENT OFFICIALS

43. The expectation for gifts and entertainment by government officials can be a common reality for companies doing business in parts of Southeast Asia. It also represents a significant risk area for companies as gifts or entertainment, especially if given in return for a service or other advantage, may constitute a bribery offence under Vietnamese law or applicable foreign laws.
44. The majority of Participating Companies stated that there would be an expectation by government officials of some gift and/or entertainment with 17 (or 81%) of Participating Companies stating there would be an expectation at least on a national holiday. Many Participating companies stated that this was a cultural expectation in Vietnam.
45. A number (6, or 29% of, Participating Companies) stated that there would be an expectation for a gift and/or entertainment on signing a contract with a government department or state controlled entity and 3 Participating Companies stated that they would be expected to provide gifts and/or entertainment of amounts in excess of VND 10 million (about USD 440).
46. The majority of Participating Companies (13, or 62%) stated that requests for gifts and/or entertainment were an area of concern and 3

Participating Companies stated that they had been refused a government service because they had not met an expectation for gifts and/or entertainment by a government official.

47. The reported frequency of the expectation for gifts or entertainment from government official varied. However, 11 Participating Companies (52%) said that they experienced an expectation at least once per quarter.

E. RECOMMENDATIONS AND BEST PRACTICE OBSERVATIONS

48. The results of the Study support the following recommendations and best practice observations. We have structured this section into two parts. First, recommendations and best practice observations in respect of corporations investing and/or working in Vietnam. Second, recommendations in respect of public policy. A detailed summary of the relevant responses of Participating Companies can be found at paragraphs 103 and 104 below.

RECOMMENDATIONS AND BEST PRACTICE OBSERVATIONS FOR CORPORATIONS

49. Management's support and enforcement of ethical policies was seen as critical in order to set an ethical tone within the company and reduce the risk of bribery. Management support has a dual role. First, strong involvement from management was seen to act as a deterrent to potential violators of ethical standards. Second, support from management to those who report on inappropriate behaviour was reported to encourage staff to come forward when they have concerns. Similarly, strong and public disciplinary procedures were seen as important in order to deter wrongdoing. It was reported that this was particularly relevant in the case in foreign invested companies in Vietnam, as such jobs are seen as prestigious, and conversely, losing such a job is seen as shameful.
50. Adequate staff training (in Vietnamese) was also reported as being important in mitigating bribery risks. A number of Participating Companies recommended that training should be carried out locally and face to face (remote e-training was seen as less effective). It was also reported that training should be focussed in high risk business areas (such as sales or procurement) and that the training content should identify common business practices in Vietnam in the company's sector which may be seen as normal, but which are not appropriate (for

example, dummy invoicing).

51. Care in recruitment procedures was also identified as an important preventative measure against corruption. Some Participating Companies stressed the need to conduct due diligence on the ethical standards of job candidates' previous employers. Individuals hired from companies with poor ethical backgrounds were seen as higher risk and either should not be hired or should be adequately trained and vetted before being recruited.
52. A number of Participating Companies cited paying a good salary as being important on the basis that this removes the incentive to seek or accept bribes. Similarly, developing a good and close relationship between management and those in higher risk roles was also seen as important in order to allow behaviour to be observed and to open a trusted channel of communication through which to report concerns.
53. Due diligence on third party agents or intermediaries was recommended by some Participating Companies, as third parties may pay bribes without the company knowing. However, it was acknowledged that carrying out effective due diligence was difficult.
54. The majority of Participating Companies stated that fostering a culture of ethics within the company was an important preventative measure against corruption.
55. Some Participating Companies reported that they did not see value in anonymous whistleblowing hotlines in Vietnam. Those Participating Companies reported concerns about anonymous hotlines being abused by employees or competitors (for personal or commercial advantages). Rather than rely on whistleblowing hotlines, those Participating Companies stressed the importance of the local manager having a strong personal relationship with key employees so that concerns could be expressed face to face.
56. When dealing with inappropriate requests from government officials for cash or other advantages, recommendations from Participating Companies varied. Larger companies (in particular in the banking sector) recommended, if possible, simply refusing such requests. However, this was on the basis that their influence and/or important position in their market would prevent any negative consequences following from that refusal. Other Participating Companies recommended forming relationships with relevant public officials, such as through conducting training programmes for them, or via existing employees' personal

connections. However, in all these cases the solution offered was particular to the circumstances of that Participating Company. If such a solution were not available, then the Participating Companies noted that delays in the provision of government services would have to be tolerated if requests or expectations for payment were not met.

RECOMMENDATIONS FOR PUBLIC POLICY

57. A number of Participating Companies mentioned the importance of rigorous and visible enforcement of anti-bribery laws, by both the Vietnamese authorities and relevant foreign authorities (being foreign authorities who may have jurisdiction over their nationals and corporates under extraterritorial legislation, such as the UK Bribery Act).
58. Of the recommendations shared by Participating Companies, active and visible enforcement of the law is arguably the most pertinent. If a commercial cost is associated with bribery and other corrupt activities, fewer companies are likely to engage in it and those that avoid such behaviour and have strong preventative internal procedures are likely to be at a commercial advantage. This is particularly relevant when considering anti-bribery laws which criminalise companies for the actions of their agents and other associated persons (such as Section 7 of the UK Bribery Act). In a strong enforcement environment, unethical behaviour by certain companies will have a knock-on effect on those they do business with. In other words, ethical companies will refuse to do business with high risk persons/companies for fear of being implicated in a bribery scheme (knowingly or otherwise). A number of Participating Companies subject to US and UK jurisdiction expressed the importance of third party due diligence for this reason.
59. Conversely, in a weak enforcement environment, refusal to engage in bribery and/or the implementation of strong preventative procedures may lead to a competitive disadvantage in comparison to competitors who do engage in such behaviour. As stated above, one Participating Company noted that they do not expect to win a renewal of their government contract because they refuse to pay bribes or provide facilitation payments.
60. In the light of this, the proposed changes to the 2005 Law on Anti-Corruption (amendment and supplement in 2007 and 2012), including the expansion of its scope to include private to private bribery are welcome. An additional provision covering the liability of principals for the actions of their agents and other associated persons (along the lines of Section 7 of the UK Bribery Act) would also be welcome.

61. In addition to enforcement, Participating Companies recommended that more should be done to address the expectation for gifts, entertainment and/or other advantages from government officials.
62. There are a number of different approaches to achieving this.
63. The prevalence of requests for (and the expectation of) gifts, money and other advantages could be reduced by increasing the salaries of government officials. In parallel, harsher penalties and stricter enforcement of anti-bribery laws could also be implemented, together with an independent government investigatory body to whom reports of bribery can be anonymously made. This strategy has been recognised to work in countries such as Singapore³.
64. Improved training for government officials was also recommended by a number of Participating Companies.
65. Other mechanisms for reducing corruption could include increased automation of routine services, such as online licence applications as well as online tax and fine payment mechanisms.

F. DETAILED RESULTS

66. We set out below the results of the Study in detail. The reference to percentages below refer to the percentage of Participating Companies responding.
67. A full breakdown of the quantitative results of the Study is set out at Appendix D.

PRIVATE PROCUREMENT

68. The overwhelming majority of Participating Companies reported receiving gifts (90%, or 19 Participating Companies), with 81% (or 17 Participating Companies) receiving gifts on days other than national holidays in Vietnam.
69. Of those reporting receiving gifts, only one Participating Company reported having received gifts of a significant amount (in excess of VND 2 million (about 88.00 US Dollars at the date of this report).
70. 33% (7 Participating Companies) had been asked to issue an invoice for services or goods at an amount lower or higher than the agreed value of

³ There are a number of references to the success of this strategy in Singapore, see for example: <http://www.fcablog.com/blog/2015/3/25/singapore-and-lee-kuan-yew-paying-for-honesty.html>

the goods or services provided.

Potential conflicts of interest in private procurement

71. 10% (2 Participating Companies) stated that they knew of one or more employees who held the position of director or substantial shareholder in a service provider to their company.
72. 24% (5 Participating Companies) stated that they knew that management or procurement staff had relatives who held the position of director or substantial shareholder in a service provider to their company.
73. 5% (1 Participating Company) stated that it knew that one or more of their company's employees had awarded a contract to a third party because they hold a personal financial interest in that organisation (such as being an 100% owner or substantial shareholder of the third party).
74. 14% (3 Participating Companies) stated that they knew of one or more employees or officers in their organisation awarding a contract to a third party because the third party organisation employs a relative of that employee/officer or a relative has a significant financial interest in the third-party (such as being an 100% owner or substantial shareholder of the third party).
75. 86% or 18 Participating Companies stated that they had written rules or procedures whereby officers of that company must declare any outside interests and/or any interest in a transaction with a third party.
76. 19% (4 Participating Companies) stated that they believed that conflicts of interest among employees or officers represent a significant cost of doing business in Vietnam.
77. 29% (6 Participating Companies) stated that the company had been asked to employ a specific service provider by a person working for a client in circumstances where they believed that that individual had a financial interest in the service provider.

Requests for proposals (RFPs)

78. 24% (5 Participating Companies) stated that an employee in the company had been offered an advantage (including money or goods or services or a commercial favour) in return for including a supplier in an RFP invitation.
79. 14% (3 Participating Companies) stated that an employee in the company received an advantage (including money or goods or services

or a commercial favour) in return for including a supplier in an RFP invitation.

80. 33% (7 Participating Companies) stated that they were aware of one or more tender processes where the variation between the lowest bid and the highest bid was less than 5%.

Participating Companies experiences

81. The respondents were asked to explain their personal and company's experiences of service providers offering cash or other advantages (including goods or services or a commercial favour) in private procurement in Vietnam. We summarise the responses below:

81.1 Most Participating Companies had heard of service providers using cash or other advantages to secure procurement contracts in the private sector. This was reported as a common practice in Vietnam in the private sector.

81.2 The most common form of advantage offered to the procurement staff member was a percentage of the value of the contract (being 5% or 10%). For example, if a contract is worth USD 1,000, the procurement staff member would be offered USD 100 (10%) as a reward for awarding the contract.

- 81.3 Other Participating Companies reported staff being offered to be taken on trips or offered dinner or other entertainment by service providers.

ROUTINE GOVERNMENT SERVICES

82. 62% (13 Participating Companies) stated that their organisation had been asked to pay cash informally or give any other informal advantage to a public official in the last 12 months to allow or speed up a routine government service.

83. Respondents stated that the frequency of such requests varied with the majority of respondents who responded in the positive stating at least once per month (6 Participating Companies or 29% of the total).

84. Respondents identified requests in their experience but not necessarily in the last 12 months, being received from the following government services:

84.1 29% (6 Participating Companies) stated Work Permit application;

84.2 48% (10 Participating Companies) stated obtaining Customs clearance;

- 84.3 14% (3 Participating Companies) stated police services;
- 84.4 10% (2 Participating Companies) stated judicial services;
- 84.5 5% (1 Participating Company) stated health services;
- 84.6 33% (7 Participating Companies) stated corporate licensing services;
- 84.7 38% (8 Participating Companies) stated Tax assessment/ finalization services (corporate and/or personal);
- 84.8 14% (3 Participating Companies) stated obtaining a land use certificate;
- 84.9 33% (7 Participating Companies) stated construction-related permits.
- 85. 33% (7 Participating Companies) stated that their organisation has refused to use a government service because of concerns about requests for cash or informal advantages (including money or goods or services or a commercial favour).
- 86. Respondents stated that they had refused to use the following government service providers as follows:
 - 86.1 Police (2 Participating Companies);
 - 86.2 Customs authorities (3 Participating Companies);
 - 86.3 Tax authorities (1 Participating Company);
 - 86.4 Land use authorities (1 Participating Company);
 - 86.5 Construction authorities (1 Participating Company);
 - 86.6 Business registration authorities (3 Participating Companies).
- 87. Respondents estimated that amounts expected by government officials (in the form of cash or other advantages) would represent the following percentages of the annual income of an organisation in their line of business:
 - 87.1 5% (1 Participating Company) stated 0%;
 - 87.2 29% (6 Participating Companies) stated less than 1%;
 - 87.3 10% (2 Participating Companies) stated from 1% to less than 2%;
 - 87.4 10% (2 Participating Companies) stated from 2% to less than 5%; and
 - 87.5 10% (2 Participating Companies) stated from 5% to less than 10%.

88. 48% (10 Participating Companies) stated that their organisation had been asked informally by a government official to use a third party non-government intermediary when paying money to a public body for a public service.
89. 52% (11 Participating Companies) stated that their organisation had been asked by a government official from a government department who provides/provided or may provide a service to their organisation to support a charity linked to a government agency.
90. 48% (10 Participating Companies) stated that their organisation had been asked by a government official from a government department who provides/provided or may provide a service to their organisation to employ the relative of a government official.

Participating Companies experiences

91. Respondents were asked to describe some of their experiences of requests by government officials for cash and/or other advantages (including goods or services or a commercial favours) in return for facilitation of routine government actions in Vietnam. We summarise the responses below:
 - 91.1 The majority of Participating Companies stated that they expected informal requests for cash or other advantages from government officials and that a refusal to satisfy a request for money or another advantage would lead to a delay in obtaining a government service. However, some stated that a refusal to meet such a request would not lead to the government service being refused. One respondent summarised the problem as follows: companies that did not satisfy such requests move to the back of the queue, whereas those that meet the requests move up the queue.
 - 91.2 For example, one Participating Company stated that when they apply for a business licence and refused to meet an informal request for payment, the licence can take up to 6 months to process. Whereas when they use an agent (who may meet the request) then the process can take 1 week.
 - 91.3 Generally, large Participating Companies had fewer issues with government officials requesting cash or other advantages, compared with small or medium sized Participating Companies. For example, large companies interviewed, stated that their reputation and importance meant that officials would not ask for

payments. Other large companies stated that they were able to manage the delays which would be caused by refusing to make payments or give advantages requested by government officials.

91.4 Smaller Participating Companies found the problem of requests for cash or other advantages from government officials more difficult to manage because they either do not have the prominence of the larger companies or institutions and/or delays caused by refusals to meet those requests were very costly to them and limited their ability to expand their business.

91.5 Some smaller Participating Companies stated that they would rely on personal contacts within the relevant government body, whom they could ask for help when faced with an inappropriate request. Examples of this included one Participating Company whose personnel assisted in training customs officials, thereby gaining the necessary contacts in the Customs department who could assist should inappropriate requests be made by customs officials. Another Participating Company was able to deal with inappropriate requests from the police because a member of staff had a relative in a senior position in the local police department.

91.6 One smaller Participating Company noted that delays in obtaining licences were damaging their business, costing them about half a million USD in lost business and preventing them from expanding the business.

91.7 Two Participating Companies stated that their ethical conduct was a competitive disadvantage as competitors from other countries such as Taiwan, Korea, China and within Vietnam were willing to meet requests for payment. One Participating Company stated that they did not expect to win the next competitive tender for their most important government contract because they could not meet government officials' requirements for cash payments or other advantages. However, another Participating Company stated that although preventing the provision of advantages to government officials would cause short term costs, in the longer term it was a commercial benefit as it built the company's reputation as being trustworthy.

91.8 One Participating Company recounted an incident where officials from the Ministry of the Environment arranged a spot check on a factory at short notice and requested a series of documents, which

were provided. During the inspection, one of the officials requested a cash payment to speed up the inspection.

GIFTS AND ENTERTAINMENT TO GOVERNMENT OFFICIALS

92. Participating Companies stated that their organisation would be expected to provide gifts and/or entertainment to government officials in the following circumstances:
 - 92.1 on a national holiday 81% (17 Participating Companies);
 - 92.2 on signing a contract with a government or state controlled entity 29% (6 Participating Companies);
 - 92.3 other occasions cited by respondents where there would be the expectation of a gift and/or entertainment from a government official were days marked to celebrate certain professions, such as Teachers' Day, Journalists' Day and the Police Force Day.
93. 62% (13 Participating Companies) stated that their organisation would be expected to pay for government official(s) to travel to corporate events outside of Vietnam.
94. 24% (5 Participating Companies) stated that their organisation would be expected to pay for the spouse and/or relatives of government officials to travel to corporate events in Vietnam or outside of Vietnam.
95. Respondents who stated their organisation would be expected to provide gifts and/or entertainment to government officials on a national holiday were asked to estimate the maximum value of the gift and/or entertainment that they would be expected to provide per national holiday:
 - 95.1 2 Participating Companies stated between VND 1 million and less than VND 2 million
 - 95.2 7 Participating Companies (33%) stated between VND 1 million and less than VND 2 million
 - 95.3 1 Participating Company stated between VND 2 million and less than VND 5 million
 - 95.4 3 Participating Companies stated above VND 10 million.
96. Respondents who stated their organisation would be expected to provide gifts or entertainment to government officials on signing a contract with a government or state controlled entity were asked to

estimate the maximum value of the gift and/or entertainment that they would be expected to provide per signing event:

96.1 1 Participating Company stated between VND 1 million and less than VND 2 million

96.2 2 Participating Companies stated between VND 2 million and less than VND 5 million

96.3 1 Participating Company stated between VND 5 million and less than VND 10 million

96.4 3 Participating Companies stated above VND 10 million

97. Respondents stated the frequency of an expectation from government officials for gifts or entertainment to be as follows:

97.1 14% (3 Participating Companies) stated Weekly

97.2 10% (2 Participating Companies) stated Monthly

97.3 29% (6 Participating Companies) stated Quarterly

97.4 10% (2 Participating Companies) stated Every 6 months

97.5 10% (2 Participating Companies) stated Yearly

98. Respondents identified the following government agencies who would, in their experience, expect an organisation such as that Participating Company to provide gifts and/or entertainment:

98.1 14% (3 Participating Companies) stated Courts;

98.2 29% (6 Participating Companies) stated Police

98.3 29% (6 Participating Companies) stated Customs

98.4 38% (8 Participating Companies) stated Tax

98.5 24% (5 Participating Companies) stated Land

98.6 38% (8 Participating Companies) stated Construction

98.7 38% (8 Participating Companies) stated Business registration

98.8 Other government agencies included the Fire Department, the Ministry of Finance and state owned corporations.

99. 62% (13 Participating Companies) stated that requests for gifts and/or entertainment by government officials is an area of concern for their organisation.

100. 14% (3 Participating Companies) stated that their organisation has been refused a government service because it has not met a government official's expectation to receive a gift and/or entertainment.

Participating Companies experiences

101. Respondents were asked to set out their experiences of requests for gifts and entertainment from government officials in Vietnam. We summarise the responses below:
- 101.1 The majority of Participating Companies stated that government officials would expect some form of gift or entertainment;
 - 101.2 Participating Companies stated that providing gifts and/or entertainment to government officials was part of the culture in Vietnam and was very important in order to build a relationship and trust with the official.
 - 101.3 Most Participating Companies stated that government officials would expect a gift during the Tet holiday.
 - 101.4 Other examples of requests included requests by government officials to be taken to a specific restaurant; and requests for jobs or internships for family members of the government official

YOUR PERCEPTION OF HIGH RISK BUSINESS PRACTICES IN VIETNAM

102. Respondents were asked to:
- 102.1 explain which high risk business practices represent the greatest challenge to their organisation operating in Vietnam. Respondents were informed that, 'high risk business practices' meant a practice or practices which could be interpreted as bribery or as part of a bribery scheme; and
 - 102.2 of the business practices which they identified, share their opinion on what organisations should do to stop those business practices occurring or to mitigate the risk of those business practices.
103. We summarise the responses to the question at 102.1 below:
- 103.1 Almost all Participating Companies highlighted the business culture of providing or receiving personal gifts or other advantages (whether in a private to private or private to public context) as being a significant concern. Many Participating Companies treated this as a fact of business life and did not

believe that anything could be done about it. One Participating Company who conducted audits of industrial sites, for example, stated that its auditors were frequently offered envelopes of cash during inspections. Those offering the money were perplexed by the audit staff's refusal to accept the money. In one instance, as the audit team was leaving in a departing taxi when an employee of the company being audited threw an envelope enclosing cash through the window in order to prevent it from being rejected.

- 103.2 A number of Participating Companies drew a distinction between the "Asian" or "local" way or culture of doing business and the expectations set by their ethical policy as being in conflict. This was seen as a competitive disadvantage to those Participating Companies as it was believed that companies who shared the "local business culture", where the provision or receipt of personal advantages was normal, could operate more effectively and efficiently.
- 103.3 Some Participating Companies perceived a distinction between how business was done among Vietnamese or with other "Asian" companies and how business was done with "foreigners". Among Vietnamese and other "Asian" companies the perception was that it was "understood" that personal advantages would be provided or received. Whereas with "foreigners" there was a reluctance to ask or raise the topic. Notwithstanding this, the perception among some Participating Companies was that "foreign" companies who did not provide or receive advantages were at a commercial disadvantage, by being unable to build the same relationships with Vietnamese parties or provide the necessary incentive to win the business.
- 103.4 Almost all Participating Companies identified dealing with one or more government agencies as being a risk area on the basis that requests for cash or other personal advantages were common from government officials. A number of Participating Companies had the opinion that low government salaries as well as government officials having to pay for their positions were a prominent cause of such requests, which in turn resulted in personal cash payments to government officials being seen as a normal method of supplementing that official's income and/or recovering the expenses incurred in obtaining their government job.
- 103.5 Inappropriate offers of advantages from suppliers creating a temptation for staff to accept them (in breach of Participating Company policies), were identified as a risk area. Reportedly this is

because it is difficult to control such behaviour by suppliers, particularly in a culture where the offering of advantages to individual employees personally is seen as normal.

- 103.6 Third parties were also seen as a risk area, in particular agents such as consultants, as the Participating Company could not control how those agents behaved. Some Participating Companies saw the use of consultants as a necessary part of doing business, because the consultant could solve problems without the Participating Company knowing of any inappropriate conduct.

104. We summarise the responses to the question at 103.2 below:

- 104.1 Having a strong disciplinary procedure. Employees who are caught engaging in high risk business practices, such as paying or receiving illegitimate advantages, should be dismissed without question and the fact of their dismissal should be known in the company. This ensures other staff are aware that such behaviour is not tolerated. This was seen as an effective approach in Vietnam as having a position in a foreign company is seen as prestigious in Vietnam and consequently losing such a position is seen as shameful.
- 104.2 Similarly, tone from the top is very important. If management is seen to actively prevent and take steps against inappropriate business activities, staff will follow management's lead. Similarly, if management visibly takes a stand against such practices, staff will feel that they will be supported by their management if they refuse to accept or provide inappropriate advantages.
- 104.3 Adequate training of staff was also highlighted as being an important preventative or mitigating measure, particularly given that some high-risk business practices (such as the provision of personal gifts, cash payments or other advantages) is culturally accepted in the view of some Participating Companies. Similarly, compliance with the ethical code should be a key performance indicator for the employee.
- 104.4 Care in recruitment policies was mentioned by some Participating Companies, including taking care when recruiting from organisations which may not share the same high ethical standards. One Participating Company stated the importance of ensuring that management had strong relationships with

employees who operated in roles where they may be exposed to high risk business activities (such as sales staff).

- 104.5 Some Participating companies also stated that they tried to educate suppliers about their ethical policy.
- 104.6 Paying a good salary was identified as an important tool, as it fosters staff loyalty and reduces the incentive to accept cash payments.
- 104.7 Adequate due diligence on third parties was highlighted by some Participating Companies as a necessity
- 104.8 Anonymous whistleblowing hotlines were seen as problematic by some Participating Companies. This was because of a view that such hotlines can be abused by employees or even competitors, looking to make anonymous allegations in order to settle personal differences or obtain a commercial advantage. Alternatively, there was a reluctance to verbally express concerns, even on an anonymous basis.

ANNEX A

Promoting the application of international standards on business integrity to enhance international integration and improve business environment in Vietnam

Study of Corruption Risks for Investors in Vietnam

Terms of Reference for Study and Report

DMS and CENSOGOR

1. Background

Although the Vietnam Government continues to implement efforts to combat corruption in the country, Vietnam is still considered to be higher risk in terms of companies' perception of the risk of corruption in the country. Vietnam is ranked 112 out of 168 countries in Transparency International's 2015 Corruption Perceptions Index (168 being the lowest ranked country).

A major contributing factor to higher instances of corruption in business is the existence of business practices which facilitate corruption. These include activities such as the giving and receiving of excessive gifts or hospitality; the payment of commissions for business referrals, the issuing of dummy invoices to inflate the cost of goods or services.

Awareness of the prevalence of such practices and the risks they pose in terms of violating anti-corruption laws (particularly following the recent criminalisation of private bribery in Vietnam), is important because it allows companies operating in Vietnam to ensure they have adequate internal procedures to prevent their participation in such behaviour. It is also important for the Vietnamese government to be able to gauge how successful its ongoing anti-corruption efforts have been via the experience of foreign investors in the country.

2. Description of the assignment

Towards Transparency ("TT"), via CENSOGOR and in conjunction with the VBF's Governance & Integrity Working Group ("G&I WG") aims to carry out a study of companies' experiences of inappropriate business practices in Vietnam (the "Study"). The Study will assess companies' experiences of high risk business activities, which may constitute corruption offences under Vietnamese law and applicable international laws.

2.1. Purpose

To provide an overview of foreign and foreign-invested companies' experiences of high risk activities in Vietnam in order to educate such companies on the day to day challenges they may face when doing business in the country and how they may mitigate those risks.

2.2. Requested services

2.2.1. Research steps to be undertaken by the Service Provider

The Service Provider shall:

- identify and secure companies to participate in the Survey (the "Sample Companies");
- prepare a research methodology for the Study;
- ensure that at least one representative of the Service Provider attends each interview;
- ensure the confidentiality of the interview process and results of the Study;
- review results of the interviews;
- draft the Study report.

2.2.2. Steps to be taken by TT and the G&I WG

TT and the G&I WG shall:

- assist the Service Provider in identifying and securing companies to participate in the interview sample;
- liaise with companies which are part of the interview sample and arrange logistics for the interviews;
- assist in preparing of interview questions;
- where possible ensure that one of its representatives attends and assists the conduct of interviews;
- review and comment on the draft Study report.

2.2.3. Methodology to be applied

- Develop a list of standardised questions. There should be two types of question, those which:
 - elicit "yes" or "no" answers ("Quantitative Questions"); and
 - allow the interviewee to explain their experience of high risk activities ("Qualitative Questions").
- The questions should focus on distinct areas of business risk, for example: (i) tender processes in private procurement; (ii) routine government authorizations (work visas; business licenses; tax

clearance) and (iii) experience of demands for excessive Gifts and/or Entertainment from public officials.

- Identify a sample group of between 20 and 30 companies to be interviewed.
- Ensure TT and the Service Provider sign a standard Non-Disclosure Agreement in favour of the Sample Companies to ensure confidentiality of the Study and the Report is maintained.
- Arrange for a suitable representative(s) of each Sample Company will be made available for the interviews. The representative should be based in Vietnam and be the head of compliance or the head of legal function or the Country Manager, or someone of equivalent designation.
- Conduct the interviews and record the answers to the questions.
- Interpret the data from the Quantitative Questions and prepare the Report.
- Desk research may also be used to identify business corruption risks that have been detected and reported publicly.

2.3. Expected results and outputs

In order to achieve the objectives of the Study and the Report, the following deliverables are required:

- A report analysing the answers to the questions obtained, (if possible) adopting a basic statistical analysis of the Quantitative Questions and a summary of the responses to the Qualitative Questions.

3. Experts profiles

The purpose of this section is to specify the professional requirements of each of the experts or the team who will undertake the Study.

3.1 Experts profiles – Category: Senior Lawyer

The preferred candidate will meet the requirements mentioned below:

- Be a qualified legal practitioner in at least one jurisdiction.
- At least 10 years of working experience in law.
- Knowledge of Vietnamese anti-corruption laws and applicable international anti-corruption laws.
- Experience advising on anti-corruption matters for the public and/or private sector in at least one ASEAN jurisdiction.

3.2 Experts profiles – Category: Junior Lawyer

The preferred candidate will meet the requirements mentioned below:

- Be a qualified legal practitioner in Vietnam.
- At least 3 years of working experience in law.
- Knowledge of Vietnamese anti-corruption law and applicable international anti-corruption laws.
- Ability to work in teams
- Other skills highly regarded are writing, creativity, presentation skills, report writing skills and computer skills
- Fluency in written English and Vietnamese languages

The Service Provider shall make available at least 2 Senior Lawyers and 2 Junior Lawyers for the Study and the preparation of the Report.

4. Location, duration and schedule

4.1. Location and duration of Study

All interviews will take place either at the offices of the interviewee company or at the offices of DMS Vietnam in Hanoi or Ho Chi Minh City.

The anticipated timeline for the Study and preparation of the Report is from August to December 2016.

4.2. Proposed schedule for the Study and preparation of the Report

The proposed timetable for the conduct of the Study and the preparation of the Report is set out below.

Activity	Timing
Send out invitations to companies to participate in the Study. 60 invitations to be sent out (assuming a 50% declinature rate). Further invitations to be sent if ideal sample size of a minimum of 20 participants cannot be filled.	August to September 2016
From companies which agree to participate in the Study, select up to 30 Sample Companies.	September 2016
Interviews at Sample Companies to be conducted.	September to October 2016
Interview responses to be analysed and Report prepared.	October – November 2016

5. Reporting

5.1. Content

The Report shall cover the following areas:

- A statement of the aim of the Study.
- A statement of the methodology adopted in the Study, including a profile of the Sample Companies, the questions used in the Study, how the interviews were conducted, the confidentiality provisions of the Study.
- A statement of the results of the answers to the Quantitative Questions and any statistically analysis conducted.
- A statement of the results of the answers to the Qualitative Questions.
- A summary of the conclusions of the Study.
- Recommendations (if any) arising from the Study, particularly in respect of risk mitigation steps that can be taken.

5.2. Confidentiality and Ownership of Documents

All documents prepared during the course of the Study shall be confidential (including details of the Sample Companies and the answers to the interview questions) (“Confidential Documents”).

The Report and documents prepared during the course of the Study shall be the property of the VBF and the Center for Social Governance Research (CENSOGOR).

ANNEX B

Anonymised information on participating companies

Interview No.	Field	3 main product lines	No of employees	Year received investment licence	Licensed amount of cap. (USD)	% licensed cap invested	Type of ownership	Subsidiary of MNC? Y/N	Any ownership by home government? Y/N	Who are your customers?	Who are suppliers of intermediate goods and services?
1	Industry/ Manufacturing	Importing Distributing Assembly	500 to 1000	1996	102.000.000,00	100%	100% foreign owned enterprise	Y	Y	Domestic State Owned Enterprises Domestic state agencies Domestic Private individuals or firms	Foreign owned enterprises Domestic owned enterprises State Owned Enterprises
2	Service/ Commerce	Logistics and freight	10 to 49	2012	20.000,00	100%	100% foreign owned enterprise	Y	N	Domestic Private individuals or firms Home country customers Third country customers	Domestic owned enterprises
3	Industry/ Manufacturing	Manufacturing transformers Low voltage products	500 to 1000	2008	28.000.000,00	100%	100% foreign owned enterprise	Y	N	Domestic State Owned Enterprises Domestic state agencies Domestic Private individuals or firms Home country customers Third country customers	State Owned Enterprises Domestic owned enterprises Household businesses or individuals Produced in-house Imported from home country Imported from third country
4	Service/ Commerce	Assembling vehicles Selling vehicle parts Selling vehicles	300 to 499	2010	10.000.000,00	100%	100% foreign owned enterprise	Y	Y	Domestic State Owned Enterprises Domestic state agencies Domestic Private individuals or firms	Domestic owned enterprises Imported from home country Imported from third country
5	Service/ Commerce	Chemical Testing Systems certification Electrical testing	50 to 199	2001	2.900.000,00	50%	100% foreign owned enterprise	Y	N	Domestic State Owned Enterprises Domestic Private individuals or firms Third country customers	State Owned Enterprises Domestic owned enterprises Imported from home country Imported from third country
6	Industry/ Manufacturing	Crop science Animal Health Pharmaceuticals	500 to 1000	1994	30.000.000,00	100%	100% foreign owned enterprise	Y	N	Domestic state agencies Domestic Private individuals or firms Third country customers	State Owned Enterprises Domestic owned enterprises Imported from home country Imported from third country

7	Industry/ Manufacturing	Selling chemical materials Making adhesives Insulation foam	10 to 49	2002	320,000.00	100%	100% foreign owned enterprise	Y	Y	Domestic State Owned Enterprises Domestic state agencies Domestic Private individuals or firms	State Owned Enterprises Domestic owned enterprises Household businesses or individuals Produced in-house Imported from home country Imported from third country
8	Finance/ Banking/ Insurance Service/ Commerce	Tourism Transportation Software	10 to 49	2011	1,000,000.00	100%	Wholly owned domestic company	Y	N	Domestic State Owned Enterprises Domestic state agencies Domestic Private individuals or firms Third country customers	State Owned Enterprises Domestic owned enterprises Household businesses or individuals Produced in-house
9	Finance/ Banking/ Insurance Service/ Commerce	Retail Banking Commercial Banking	1000 and over	1995	350,000,000.00	100%	100% foreign owned enterprise	Y	N	Domestic State Owned Enterprises Domestic state agencies Domestic Private individuals or firms	State Owned Enterprises Domestic owned enterprises Imported from home country Imported from third country
10	Service/ Commerce	Project Management Coaching and training	Less than 5	2011	100,000.00	30%	100% foreign owned enterprise	N	N	Domestic State Owned Enterprises Domestic state agencies Domestic Private individuals or firms Third country customers	Domestic owned enterprises Produced in-house Imported from third country
11	Service/ Commerce	Audit Tax Advisory	200 to 299	1993	900,000.00	100%	Joint venture with Vietnamese Private Enterprise	N	N	Domestic State Owned Enterprises Domestic state agencies Domestic Private individuals or firms Home country customers	Domestic State Owned Enterprises Domestic state agencies Domestic Private individuals or firms Home country customers
12	Extractive Industries	Exploring Developing Producing Oil	50 to 199	2000	N/A	N/A	100% foreign owned enterprise	Y	N	Domestic State Owned Enterprises Third country customers	State Owned Enterprises Domestic owned enterprises Household businesses or individuals Produced in-house Imported from home country Imported from third country
13	Real Estate	Real estate development Real estate advisory Listed equities investment	50 to 199	2002	100,000.00	100%	100% foreign owned enterprise	N	N	Domestic Private individuals or firms	Domestic owned enterprises

Interview No.	3 main product lines	No of employees	Year received investment licence	Licenced amount of cap. (USD)	% licenced cap invested	Type of ownership	Who are your customers?	Who are suppliers of intermediate goods and services?
14	Education	10 to 49	2008	N/A	N/A	100% foreign owned enterprise	Domestic Private individuals or firms	State Owned Enterprises Domestic owned enterprises Household businesses or individuals Imported from home country Imported from third country
15	Education	500 to 1000	1997	Would not say	100%	100% foreign owned enterprise	Domestic State Owned Enterprises Domestic state agencies Domestic Private individuals or firms	State Owned Enterprises Domestic owned enterprises Household businesses or individuals Produced in-house Imported from home country Imported from third country
16	Agriculture/ Forestry/ Aquaculture	1000 and over	2003	Did not know	100%	Joint venture with Vietnamese enterprise	Domestic Private individuals or firms Third country customers	Domestic owned enterprises Imported from third country
17	Finance/ Banking/ Insurance	50 to 199	2004	10.000.000,00	100%	100% foreign owned enterprise	Domestic Private individuals or firms	Domestic owned enterprises Produced in-house Imported from home country
18	Finance/ Banking/ Insurance	500 to 1000	1995	70.000.000,00	100%	Joint venture with Vietnamese state owned enterprise	Domestic state agencies Domestic Private individuals or firms	Domestic owned enterprises Produced in-house Imported from home country Imported from third country
19	Service/ Commerce	300 to 499	1986	Did not know	N/A	Rep office	Domestic State Owned Enterprises Domestic state agencies Domestic Private individuals or firms Third country customers	State Owned Enterprises Domestic owned enterprises Household businesses or individuals Imported from home country Imported from third country

20	Real Estate	Legal Services	10 to 49	2012	N/A	N/A	N/A	100% foreign owned enterprise	Y	N	Domestic State Owned Enterprises Domestic state agencies Domestic Private individuals or firms Home country customers Third country customers	State Owned Enterprises Domestic owned enterprises Imported from home country Imported from third country
21	Industry/ Manufacturing Construction/ Investment in Infrastructure Automobile Construction Service/ Commerce Agriculture/ Forestry/ Aquaculture	Construction Steel Agriculture Service IT Automobile Assembly Energy	200 to 299	N/A	5,000,000,000,00	0%	100% foreign owned enterprise	Y	N	Domestic State Owned Enterprises Domestic Private individuals or firms Third country customers	Domestic owned enterprises Imported from home country Imported from third country	

APPENDIX C

QUESTIONNAIRE

Date:

Questionnaire Ref. No.

This Questionnaire

This questionnaire forms part of a quantitative and qualitative study of foreign-invested (meaning non-Vietnamese) companies' experiences of higher risk business activities in Vietnam in three areas: (i) tender processes in private procurement; (ii) routine government authorisations (work visas; business licences; tax clearance) and (iii) experience of demands for excessive Gifts and/or Entertainment from public officials (the "Areas of Analysis").

Questions in relation to each Area of Analysis are set out below. Unless the question states otherwise, please answer on the basis of your experience in the last two years.

Anonymity of this questionnaire

This is an anonymised questionnaire, which means that your name and the name of your organisation will not be included on this questionnaire. Nor will your name or the name of your organisation be included in any report or other document produced following the completion of this questionnaire, other than to acknowledge your participation in the study. For the avoidance of doubt, information on your identity and you're the identity of your organisation is not relevant to the study. To the extent that we hold any information concerning your identity or the identity of your organisation (such as in email correspondence), that information will be kept confidential.

1. In what year did your firm first apply to receive a license to invest in Vietnam?
.....
2. In what year did your company receive its investment license?
.....
3. According to your current investment certificate or similar, what is the licensed amount of capital you are allowed to invest in Vietnam?
.....USD
4. What percentage of your licensed investment size have you implemented (disbursed) since establishment?%

5. On which field does your firm mainly focus?
 - 5.1 Industry/Manufacturing
 - 5.2 Construction/ Investment in Infrastructure Construction
 - 5.3 Service/Commerce
 - 5.4 Agriculture/Forestry/Aquaculture
 - 5.5 Mining
 - 5.6 Finance/Banking/Insurance
6. What are your company's 3 main product lines or services
 - 6.1 _____
 - 6.2 _____
 - 6.3 _____
7. Which of the following categories best describe your company's current legal form?
 - 7.1 100% Foreign owned enterprise
 - 7.2 Joint-Venture with a Vietnamese Private Enterprise
 - 7.3 Joint-Venture with a Vietnamese State-Owned Enterprise.
 - 7.4 Wholly domestic company
 - 7.5 Other, please specify
8. Are your operations in Vietnam a subsidiary of a multi-national corporation with its headquarters outside Vietnam?
 - 8.1 Yes
 - 8.2 No
9. Is part or all of the multinational corporation owned by the government in which your company is headquartered?
 - 9.1 Yes
 - 9.2 No
10. What is the employment size of your company?

	At the time of Establishment?	In 2015?	To date in 2016?
1. Less than 5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. From 5 to 9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. From 10 to 49	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. From 50 to 199	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. From 200 to 299	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. From 300 to 499	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. From 500 to 1000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. 1000 and over	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. Who are your customers? Please check all that apply
 - 11.1 Sell domestically to State owned enterprises (SOE)
 - 11.2 Sell domestically to State agencies (central and/or local level)
 - 11.3 Sell domestically to private individuals or firms
 - 11.4 Exported to home country
 - 11.5 Exported to a third country or countries
12. Who are your suppliers of intermediate goods and services? Please check all that apply
 - 12.1 State-owned Enterprises
 - 12.2 Domestic private companies
 - 12.3 Household business or individuals
 - 12.4 Produced in-house by your local operations
 - 12.5 Imported from home country
 - 12.6 Imported from a third country

PRIVATE PROCUREMENT

The following questions relate to your company's experience of private procurement from third parties. This means your organisation's purchase of goods or services from any third-party supplier in Vietnam.

General

1. Do any of your organisation's service providers provide your organisation and/or its employees with gifts or entertainment?

1.1 Yes	1.2 No	1.3 Don't know
---------	--------	----------------
2. Do any of your organisation's service providers provide your organisation and/or its employees with gifts or entertainment other than during national holidays in Vietnam?

2.1 Yes	2.2 No	2.3 Don't know
---------	--------	----------------
3. Do any of your service providers provide your organisation and/or employee(s) with gifts or entertainment (with a value in excess of VND2 million) on the award or renewal of any contract with them?

3.1 Yes	3.2 No	3.3 Don't know
---------	--------	----------------
4. Have you ever been asked to issue an invoice for services or goods at an amount lower or higher than the agreed value of the services or goods provided (known as a "dummy invoice")?

4.1 Yes	4.2 No	4.3 Don't know
---------	--------	----------------

Conflicts of Interest

5. To your knowledge do any of your employees hold the position of director or majority shareholder in any service provider to your organisation?

5.1 Yes	5.2 No	5.3 Don't know
---------	--------	----------------
6. To your knowledge do any of your management or procurement staff have relatives who hold the position of director or majority shareholder in any service provider to your organisation?

6.1 Yes	6.2 No	6.3 Don't know
---------	--------	----------------

- | | | | |
|------|--|---------|-----------------|
| 7. | Are you aware of any employee or officer of your organisation awarding a contract to a third party because they hold a personal financial interest in that organisation (such as being an 100% owner or substantial shareholder of the third party)? | | |
| 7.1 | Yes | 7.2 No | 7.3 Don't know |
| 8. | Are you aware of any employee or officer of your organisation awarding a contract to a third party because the third party organisation employs a relative of that employee/officer or a relative has a significant financial interest in the third-party (such as being an 100% owner or substantial shareholder of the third party)? | | |
| 8.1 | Yes | 8.2 No | 8.3 Don't know |
| 9. | Does your organisation have written rules/procedures whereby its officers and management personnel must declare any personal interest in a transaction with third parties? | | |
| 9.1 | Yes | 9.2 No | 9.3 Don't know |
| 10. | Does your organisation have a written rule or procedure whereby its officers must declare any outside interests? | | |
| 10.1 | Yes | 10.2 No | 10.3 Don't know |
| 11. | Do you believe that conflicts of interest among your employees or officers represent a significant cost of doing business in Vietnam? For example, do you believe that your organisation pays more to providers of goods and services because of contracts awarded where there is a conflict of interest? | | |
| 11.1 | Yes | 11.2 No | 11.3 Don't know |
| 12. | Have you ever been asked to employ a specific service provider by a person working for a client in circumstances where you believe that that individual has a financial interest in the service provider? | | |
| 12.1 | Yes | 12.2 No | 12.3 Don't know |

- | | | | | |
|------|---|------|----|-----------------|
| 13. | Has an employee in your organisation ever been offered an advantage (including money or goods or services or a commercial favour) in return for including a supplier in an RFP invitation? | | | |
| 13.1 | Yes | 13.2 | No | 13.3 Don't know |
| 14. | Has anyone in your organisation received an advantage (including money or goods or services or a commercial favour) in return for including a supplier in an RFP invitation? | | | |
| 14.1 | Yes | 14.2 | No | 14.3 Don't know |
| 15. | Are you aware of any tender processes where the variation between the lowest bid and the highest bid was less than 5%? | | | |
| 15.1 | Yes | 15.2 | No | 15.3 Don't know |
| 16. | Please let us know some of your experiences of service providers offering cash or other advantages (including goods or services or a commercial favour) in private procurement in Vietnam. You need not confine your answer to the experience of your organisation. Please use the attached answer sheet. | | | |

The following questions relate to your company's experience of unofficial requests for advantages (including money or goods or services or a commercial favour) by public officials in return for routine government services. These are commonly referred to as facilitation payments or "grease payments".

- 17.1 Yes 17.2 No 17.3 Don't know

- | | |
|--|----------------|
| 18.1 Daily | 18.2 Weekly |
| 18.3 Monthly | 18.4 Quarterly |
| 18.5 Every 6 months | 18.6 Yearly |
| 18.7 Once in every two years | |
| 18.8 More than once in every two years | |

- | | |
|---|---------------------------|
| 19.1 Work permit application; | 19.2 Customs clearance; |
| 19.3 Police service | 19.4 Judicial application |
| 19.5 Health | 19.6 Corporate licensing |
| 19.7 Tax assessment/ finalization (corporate and/or personal) | |
| 19.8 Land use certificate | |
| 19.9 Construction-related permits | |
| 19.10 Other(s) (please specify) | |

- 20.1 Yes 20.2 No 20.3 Don't know

- | | | |
|--|-------------|-------------------|
| 21.1 Courts | 21.2 Police | 21.3 Customs |
| 21.4 Tax | 21.5 Land | 21.6 Construction |
| 21.7 Business registration | | |
| 21.8 Others offered by State-owned corporations or entities (please specify) | | |

- 22.1 0% 22.2 Less than 1% 22.3 From 1% to less than 2%

- 22.4 From 2% to less than 5% 22.5 From 5% to less than 10%
 22.6 From 10% to less than 20% 22.7 From 20% to less than 30%
 22.8 Over 30%
23. Has your organisation ever been asked informally by a government official to use a third party non-government intermediary when paying money to any public body for a public service?
 23.1 Yes 23.2 No 23.3 Don't know
24. Has your organisation ever been asked by a government official from a government department who provides/provided or may provide a service to your organisation to support a charity linked to a government agency?
 24.1 Yes 24.2 No 24.3 Don't know
25. Has your organisation ever been asked by a government official from a government department who provides/provided or may provide a service to your organisation to employ the relative of any government official?
 25.1 Yes 25.2 No 25.3 Don't know
26. Please let us know some of your experiences of requests by government officials for cash and/or other advantages (including goods or services or a commercial favour) in return for facilitation of routine government actions in Vietnam. For example, what has been the result of any refusals to pay unofficial payments to public officials? How much would you estimate in revenue/business your organisation loses per year or would lose per year by refusing to pay unofficial payments to public officials. You need not confine your answer to the experience of your organisation. Please use the attached answer sheet.

GIFTS AND ENTERTAINMENT TO GOVERNMENT OFFICIALS

The following questions relate to your experience of requests for or the expectation of gifts and/or entertainment being provided to government officials in Vietnam

27. Please indicate whether the statements below if applied to your organisation would be true or false in your experience:
- 27.1 We would be expected to provide gifts and/or entertainment to government officials in some circumstances (If true, please circulate one or more of the applicable circumstances set out).
- 27.1.1 True: on a national holiday
 27.1.2 True: on signing a contract with a government or state controlled entity
 27.1.3 True on other occasions (please specify)
- _____
- _____
- _____
- 27.1.4 False
- 27.2 We would be expected to pay for government official(s) to travel to corporate events outside of Vietnam.
- 27.2.1 True 27.2.2 False

- 27.3 We would be expected to pay for the spouse and/or relatives of government officials to travel to corporate events in Vietnam or outside of Vietnam.
- 27.3.1 True 27.3.2 False
28. If you answered "True" to question [27.1.1], please indicate the maximum value of the gift and/or entertainment you would be expected to provide per national holiday:
- 28.1 Less than VND 1 million
- 28.2 Between VND 1 million and less than VND 2 million
- 28.3 Between VND 2 million and less than VND 5 million
- 28.4 Between VND 5 million and less than VND 10 million
- 28.5 Above VND 10 million
- 28.6 Prefer not to say
- 28.7 Not applicable
29. If you answered "True" to question [27.1.2], please indicate the maximum value of the gift and/or entertainment you would be expected to provide per signing event:
- 29.1 Less than VND 1 million
- 29.2 Between VND 1 million and less than VND 2 million
- 29.3 Between VND 2 million and less than VND 5 million
- 29.4 Between VND 5 million and less than VND 10 million
- 29.5 Above VND 10 million
- 29.6 Prefer not to say
- 29.7 Not applicable
30. If you answered "True" to question [27.1.3], please indicate the average value of the gift and/or entertainment you would be expected to provide in respect of the occasion(s) you have identified, per event:
- 30.1 Less than VND 1 million
- 30.2 Between VND 1 million and less than VND 2 million
- 30.3 Between VND 2 million and less than VND 5 million
- 30.4 Between VND 5 million and less than VND 10 million
- 30.5 Above VND 10 million
- 30.6 Prefer not to say
- 30.7 Not applicable
31. How frequently would you expect an organisation such as yours to be expected to provide gifts or entertainment to government officials:
- 31.1 Weekly 31.2 Monthly 31.3 Quarterly
- 31.4 Every 6 months 31.5 Yearly
- 31.6 Once in every two years
- 31.7 More than once in every two years
32. Which of the following government agencies would, in your experience, an organisation such as yours be expected to provide gifts and/or entertainment to (please circle on or more answers as appropriate):
- 32.1 Courts 32.2 Police 32.3 Customs
- 32.4 Tax 32.5 Land 32.6 Construction
- 32.7 Business registration

32.8 Other State-owned corporations or entities (please specify)

33. Are requests for gifts and/or entertainment by government officials an area of concern for your organisation?
- | | | | | | |
|------|-----|------|----|------|------------|
| 33.1 | Yes | 33.2 | No | 33.3 | Don't know |
|------|-----|------|----|------|------------|
34. Has your organisation ever been refused a government service because it has not met a government official's expectation to receive a gift and/or entertainment?
- | | | | | | |
|-----|-----|------|----|------|------------|
| 4.1 | Yes | 34.2 | No | 34.3 | Don't know |
|-----|-----|------|----|------|------------|
35. Please let us know some of your experiences of requests for gifts and entertainment from government officials in Vietnam. You need not confine your answer to the experience of your organisation. Please use the attached answer sheet.

YOUR PERCEPTION OF HIGH RISK BUSINESS PRACTICES IN VIETNAM

36. Please could you explain which high risk business practices represent the greatest challenge to your organisation operating in Vietnam. By 'high risk business practices' we mean a practice or practices which could be interpreted as bribery or as part of a bribery scheme. Please use the attached answer sheet.

Of the business practices you have identified, please could you share your opinion on what organisations should do to stop those business practices occurring or to mitigate the risk of those business practices. Please use the attached answer sheet.

THIS IS AN ANONYMISED QUESTIONNAIRE

TI ABC anti-bribery checklist: aligned to the Business Principles for Countering Bribery

How do you feel your company stands on countering bribery?

POLICY	Yes	No	Partly	Planned
1 Is there a formal up-to-date published policy of zero tolerance of bribery?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Is there a public commitment to be consistent with all relevant anti-bribery laws in all the jurisdictions in which your company operates?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Have you made a commitment to implement an anti-bribery Programme ? ⁴	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

IMPLEMENTATION	Yes	No	Partly	Planned	N/A
4 Do you carry out regular risk assessment to determine the risks of bribery and tailor the Programme to mitigate these risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Does your Programme have detailed policies, procedures and controls for:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Does your leadership ⁵ show active commitment to the Programme and act as an example for transparency and integrity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Does your leadership assign unambiguous responsibility and authority to managers for carrying out the Programme?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Is the Programme implemented in all business entities over which your company has effective control?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

⁴ The whole of an enterprise's anti-bribery efforts including values, code of conduct, details policies and procedures, risk management, internal and external communication, training and guidance, internal controls, oversight, monitoring and assurance.

⁵ Owner, Board of equivalent body, chair and/ or chief executive

9	Do you encourage an equivalent Programme in business entities in which your company has a significant investment or with which it has significant business relationships?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Is the Programme communicated to:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	all employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	business partners?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	other stakeholders?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Do your human resources practices ⁵ reflect your company's commitment to the Programme?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Is tailored training provided to:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	all Directors, managers, employees and agents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	key high risk third parties including other intermediaries, contractors and suppliers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Does your company provide secure and accessible channels through which employees and others can obtain advice or raise concerns ('whistleblowing') without risk of reprisal?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	Are there internal controls to counter bribery comprising financial and organisational checks over accounting and record keeping practices and related business processes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

MONITORING AND REVIEW		Yes	No	Partly	Planned
15	Are the internal control systems, in particular the accounting and record keeping practices, subjected to regular review and audit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16	Do you have procedures in place to deal with any incidents of bribery?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17	Do your senior management periodically review the Programme's suitability and effectiveness and implement improvements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18	Does the Audit Committee, Board or equivalent body make a regular independent assessment of the adequacy of the Programme?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19	Does your company publicly disclose information about its programme and its implementation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20	Do you carry out external assurance of the Programme and is the opinion statement published publicly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Business Principles for Countering Bribery can be found at www.transparency.org. For further information please contact: businessprinciples@transparency.org

⁵ Including those for recruitment, training, performance evaluation, remuneration, recognition and promotion.

APPENDIX D
ANALYSIS OF CORRUPTION RISKS FOR INVESTORS IN VIETNAM
Quantitative Results Table

PRIVATE PROCUREMENT

General

Question:	1	Do any of your organisation's service providers provide your organisation and/or its employees with gifts or entertainment?							
Interview No.	Answer	1,1	1,2	1,3					
1		x							
2		x							
3		x							
4		x							
5		x							
6		x							
7		x							
8		x							
9		x							
10		x							
11		x							
12		x							
13			x						
14		x							
15		x							
16		x							
17		x							
18		x							
19			x						
20		x							
21		x							
Count		19	2	0					
Percentage		90%	10%	0%					

Question:	2	Do any of your organisation's service providers provide your organisation and/or its employees with gifts or entertainment other than during national holidays in Vietnam?							
Interview No.	Answer	2,1	2,2	2,3					
1		x							
2		x							
3		x							
4		x							
5		x							
6			x						
7		x							
8		x							
9		x							
10		x							
11		x							
12		x							
13			x						
14		x							
15		x							
16		x							
17		x							
18		x							
19			x						
20			x						
21		x							
Count		17	4	0					
Percentage		81%	19%	0%					

Question:	3	Do any of your service providers provide your organisation and/or employee(s) with gifts or entertainment (with a value in excess of VND2 million) on the award or renewal of any contract with them?								
Interview No.	Answer	3,1	3,2	3,3						
1		x								
2			x							
3			x							
4			x							
5			x							
6			x							
7			x							
8			x							
9			x							
10			x							
11			x							
12			x							
13			x							
14				x						
15				x						
16			x							
17			x							
18			x							
19			x							
20			x							
21			x							
Count		1	18	2						
Percentage		5%	86%	10%						

Question:	4	Have you ever been asked to issue an invoice for services or goods at an amount lower or higher than the value of the services or goods provided (known as a “dummy invoice”)?								
Interview No.	Answer	4,1	4,2	4,3						
1			x							
2			x							
3			x							
4			x							
5		x								
6			x							
7		x								
8			x							
9			x							
10		x								
11			x							
12			x							
13		x								
14				x						
15		x								
16			x							
17			x							
18			x							
19		x								
20			x							
21		x								
Count		7	13	1						
Percentage		33%	62%	5%						

Conflicts of Interest

Question:	5	To your knowledge do any of your employees hold the position of director or shareholder in any service provider to your organisation?							
Interview No.	Answer	5,1	5,2	5,3					
1		x							
2			x						
3				x					
4			x						
5			x						
6			x						
7			x						
8			x						
9			x						
10			x						
11			x						
12		x							
13			x						
14			x						
15			x						
16			x						
17			x						
18			x						
19			x						
20			x						
21			x						
Count		2	18	1					
Percentage		10%	86%	5%					

Question:	6	To your knowledge do any of your management or procurement staff have relatives who hold the position of director or shareholder in any service provider to your organisation?								
Interview No.	Answer	6,1	6,2	6,3						
1				x						
2			x							
3		x								
4			x							
5			x							
6		x								
7			x							
8			x							
9			x							
10			x							
11			x							
12		x								
13			x							
14			x							
15		x								
16				x						
17			x							
18			x							
19				x						
20			x							
21		x								
Count		5	13	3						
Percentage		24%	62%	14%						

Question:	7	Are you aware of any employee or officer of your organisation awarding a contract to a third party because they hold a personal financial interest in that organisation (such as being an 100% owner or substantial shareholder of the third party)?							
Interview No.	Answer	7,1	7,2	7,3	No answer				
1			x						
2			x						
3			x						
4			x						
5			x						
6			x						
7			x						
8					x				
9			x						
10			x						
11			x						
12			x						
13			x						
14			x						
15		x							
16			x						
17			x						
18			x						
19			x						
20			x						
21				x					
Count		1	18	1	1				
Percentage		5%	86%	5%	5%				

Question:	8	Are you aware of any employee or officer of your organisation awarding a contract to a third party because the third party organisation employs a relative of that employee/officer or a relative has a significant financial interest in the third-party (such as being an 100% owner or substantial shareholder of the third party)?								
Interview No.	Answer	8,1	8,2	8,3						
1			x							
2				x						
3			x							
4			x							
5			x							
6			x							
7			x							
8		x								
9			x							
10			x							
11			x							
12			x							
13			x							
14			x							
15		x								
16			x							
17			x							
18			x							
19			x							
20			x							
21		x								
Count		3	17	1						
Percentage		14%	81%	5%						

Question:	9	Does your organisation have written rules/procedures whereby its officers and management personnel must declare any personal interest in a transaction with third parties?							
Interview No.	Answer	9,1	9,2	9,3	No answer				
1		x							
2			x						
3		x							
4		x							
5		x							
6		x							
7			x						
8		x							
9		x							
10		x							
11		x							
12		x							
13		x							
14		x							
15		x							
16					x				
17		x							
18		x							
19		x							
20		x							
21		x							
Count		18	2	0	3				
Percentage		86%	10%	0%	14%				

Question:	10	Does your organisation have a written rule or procedure whereby its officers must declare any outside interests?								
Interview No.	Answer	10,1	10,2	10,3						
1		x								
2			x							
3		x								
4		x								
5		x								
6		x								
7		x								
8		x								
9		x								
10		x								
11		x								
12		x								
13			x							
14		x								
15		x								
16			x							
17		x								
18		x								
19		x								
20		x								
21		x								
Count		18	3	0						
Percentage		86%	14%	0%						

Question:	11	Do you believe that conflicts of interest among your employees or officers represent a significant cost of doing business in Vietnam? For example, do you believe that your organisation pays more to providers of goods and services because of contracts awarded where there is a conflict of interest?							
Interview No.	Answer	11,1	11,2	11,3					
1			x						
2			x						
3		x							
4			x						
5			x						
6			x						
7			x						
8		x							
9			x						
10			x						
11			x						
12			x						
13			x						
14		x							
15		x							
16			x						
17			x						
18			x						
19			x						
20			x						
21			x						
Count		4	17	0					
Percentage		19%	81%	0%					

Question:	12	Have you ever been asked to employ a specific service provider by a person working for a client in circumstances where you believe that that individual has a financial interest in the service provider?								
Interview No.	Answer	12,1	12,2	12,3						
1			x							
2			x							
3		x								
4			x							
5		x								
6			x							
7			x							
8			x							
9			x							
10			x							
11			x							
12		x								
13		x								
14		x								
15		x								
16			x							
17			x							
18			x							
19			x							
20				x						
21			x							
Count		6	14	1						
Percentage		29%	67%	5%						

Requests for proposals (RFPs)

Question:	13	Has your organisation ever been offered an advantage (including money or goods or services or a commercial favour) in return for including a supplier in an RFP invitation?								
Interview No.	Answer	13,1	13,2	13,3						
1		x								
2			x							
3		x								
4				x						
5			x							
6			x							
7		x								
8			x							
9			x							
10			x							
11			x							
12			x							
13			x							
14		x								
15				x						
16			x							
17			x							
18			x							
19				x						
20					N/A					
21		x								
Count		5	12	3						
Percentage		24%	57%	14%						

Question:	14	Has anyone in your organisation received an advantage (including money or goods or services or a commercial favour) in return for including a supplier in an RFP invitation?								
Interview No.	Answer	14,1	14,2	14,3						
1			x							
2			x							
3		x								
4				x						
5					N/A					
6			x							
7			x							
8			x							
9			x							
10			x							
11			x							
12			x							
13			x							
14				x						
15		x								
16			x							
17			x							
18			x							
19			x							
20					N/A					
21		x								
Count		3	14	2						
Percentage		14%	67%	10%						

Question:	15	Are you aware of any tender processes where the variation between the lowest bid and the highest bid was less than 5%							
Interview No.	Answer	15,1	15,2	15,3					
1				x					
2		x							
3			x						
4			x						
5			x						
6				x					
7			x						
8		x							
9				x					
10			x						
11		x							
12		x							
13			x						
14				x					
15		x							
16		x							
17				x					
18		x							
19			x						
20					N/A				
21				x					
Count		7	7	6					
Percentage		33%	33%	29%					

ROUTINE GOVERNMENT AUTHORISATIONS

Question:	17	Has your organisation ever been asked to pay cash informally or give any other informal advantage to any public official to allow or speed up a routine government service?								
Interview No.	Answer	17,1	17,2	17,3						
1			x							
2		x								
3		x								
4			x							
5		x								
6		x								
7		x								
8		x								
9		x								
10			x							
11		x								
12			x							
13			x							
14		x								
15		x								
16		x								
17		x								
18			x							
19			x							
20			x							
21		x								
Count		13	8	0						
Percentage		62%	38%	0%						

Question:	18	If yes, what is your estimation of the frequency of those requests?								
Interview No.	Answer	18,1	18,2	18,3	18,4	18,5	18,6	18,7	18,8	Other
1										N/A
2				x						
3					x					
4										N/A
5				x						
6										
7						x				
8		x								
9										
10										N/A
11								x		
12										N/A
13										90% of the time
14				x						
15			x							
16				x						
17							x			
18										
19										
20										N/A
21					x					
Count		1	1	4	1	1	1	1	0	
Percentage		5%	5%	19%	5%	5%	5%	5%	0%	

Question:	19	If yes, please indicate the type of service concerned:										
Interview No.	Answer	19.1	19.2	19.3	19.4	19.5	19.6	19.7	19.8	19.9	19.10	Other
1												N/A
2			x									
3			x				x					x
4												N/A
5		x	x	x		x		x				
6			x					x		x		
7			x					x				x
8		x	x						x	x	x	
9			x	x	x		x	x				
10												
11					x			x				
12												N/A
13							x	x	x	x		
14							x			x		
15		x					x	x		x	x	
16		x	x				x		x	x		
17		x	x	x								
18												
19												
20												N/A
21		x	x				x	x	x	x		
Count		6	10	3	2	1	7	8	3	7	4	
Percentage		29%	48%	14%	10%	5%	33%	38%	14%	33%	19%	

Question:	20	Has your organisation ever refused to use a government service because of concern about requests for cash or informal advantages (including money or goods or services or a commercial favour)?								
Interview No.	Answer	20.1	20.2	20.3	No answer					
1					x					
2			x							
3		x								
4			x							
5		x								
6			x							
7			x							
8			x							
9			x							
10			x							
11			x							
12			x							
13		x								
14		x								
15		x								
16					x					
17		x								
18					x					
19			x							
20			x							
21		x								
Count		7	11	0	3					
Percentage		33%	52%	0%	14%					

Question:	21	If yes, which service(s)								
Interview No.	Answer	21.1	21.2	21.3	21.4	21.5	21.6	21.7	21.8	Other
1										
2										
3				x				x		
4										N/A
5				x	x					
6										N/A
7										
8										N/A
9										
10										N/A
11										
12										N/A
13						x	x			
14								x		
15			x							
16										
17			x	x						
18										
19										
20										N/A
21								x		
Count		0	2	3	1	1	1	3	1	
Percentage		0%	10%	14%	5%	5%	5%	14%	5%	

Question:	22	In your view, what percentage of income would an organisation in your line of business typically be expected or required to pay per year to government officials as unofficial payments in cash, a cash equivalent, goods and/or services?								
Interview No.	Answer	22.1	22.2	22.3	22.4	22.5	22.6	22.7	22.8	Other
1										
2					x					
3			x							
4										Don't know
5						x				
6			x							
7			x							
8						x				
9				x						
10										
11				x						
12										Don't know
13			x							
14										
15										
16					x					
17										Don't know
18										
19		x								
20			x							
21			x							
Count		1	6	2	2	2	0	0	0	
Percentage		5%	29%	10%	10%	10%	0%	0%	0%	

Question:	23	Has your organisation ever been asked by a government official to use a third party non-government intermediary when paying money to any public body for a public service?								
Interview No.	Answer	23.1	23.2	23.3	No answer					
1			x							
2					x					
3			x							
4			x							
5			x							
6		x								
7		x								
8		x								
9		x								
10			x							
11			x							
12			x							
13		x								
14		x								
15		x								
16			x							
17		x								
18			x							
19		x								
20			x							
21		x								
Count		10	10	0	1					
Percentage		48%	48%	0%	5%					

Question:	24	Has your organisation ever been asked by a government official from a government department who provides/provided or may provide a service to your organisation to support a charity linked to a government agency?							
Interview No.	Answer	24.1	24.2	24.3					
1			x						
2			x						
3		x							
4			x						
5			x						
6			x						
7			x						
8		x							
9		x							
10			x						
11			x						
12		x							
13		x							
14		x							
15		x							
16			x						
17		x							
18		x							
19		x							
20			x						
21		x							
Count		11	10	0					
Percentage		52%	48%	0%					

Question:	25	Has your organisation ever been asked by a government official from a government department who provides/provided or may provide a service to your organisation to employ the relative of any government official?							
Interview No.	Answer	25.1	25.2	25.3					
1		x							
2			x						
3		x							
4			x						
5			x						
6			x						
7			x						
8		x							
9			x						
10			x						
11		x							
12		x							
13		x							
14		x							
15		x							
16			x						
17		x							
18			x						
19			x						
20			x						
21		x							
Count		10	11	0					
Percentage		48%	52%	0%					

Question:	27	Please indicate whether the statements below if applied to your organisation would be true or false in your experience							
Interview No.	Answer	27,1			27,2		27,3		
		27.1.1	27.1.2	27.1.3	27.2.1	27.2.2	27.3.1	27.3.2	
1		x			x			x	
2						x		x	
3		x			x			x	
4		x			x			x	
5		x			x		x		
6		x			x			x	
7		x	x			x		x	
8		x	x		x		x		
9		x			x			x	
10		x	x		x		x		
11		x	x						
12			x	*	x			x	
13				**	x			x	
14		x		***		x		x	
15		x		****		x		x	
16		x				x		x	
17		x				x		x	
18		x			x		x		
19		x			x		x		
20						x		x	
21		x	x	x	x			x	
Count		17	6	5	13	7	5	15	
Percentage		81%	29%	24%	62%	33%	24%	71%	

* All of the above. Opening of prospects, groundbreaking ceremonies, topping out ceremonies, not singled out.

** teacher's day, police's day, journalist's day

***Teacher's day, Journalist's day

****"when there is money doing business low level (maintaining business relations)"

Question:	28	If you answered "True" to question [27.1.1], please indicate the maximum value of the gift and/or entertainment you would be expected to provide per national holiday:							
Interview No.	Answer	28.1	28.2	28.3	28.4	28.5	28.6	28.7	Other
1		x							
2									N/A
3			x						
4									
5				x					
6									
7						x			
8						x			
9			x						
10			x						
11			x						
12								x	
13						x			
14			x						
15			x						
16								x	
17			x						
18								x	
19		x							
20									N/A
21									
Count		2	7	1	0	3	0	3	
Percentage		10%	33%	5%	0%	14%	0%	14%	

Question:	29	If you answered "True" to question [27.1.2], please indicate the maximum value of the gift and/or entertainment you would be expected to provide per signing event:							
Interview No.	Answer	29.1	29.2	29.3	29.4	29.5	29.6	29.7	Other
1									N/A
2									N/A
3									
4									
5				x					
6									
7						x			
8						x			
9									
10			x						
11					x				
12						x			
13				x					
14								x	
15									
16								x	
17									N/A
18									
19									
20									N/A
21									
Count		0	1	2	1	3	0	2	
Percentage		0%	5%	10%	5%	14%	0%	10%	

Question:	30	If you answered "True" to question [27.1.3], please indicate the average value of the gift and/or entertainment you would be expected to provide in respect of the occasion(s) you have identified, per event:							
Interview No.	Answer	30.1	30.2	30.3	30.4	30.5	30.6	30.7	Other
1									
2									
3			x						
4									
5				x					
6									
7									
8						x			
9									
10									
11									
12								x	
13									
14								x	
15									
16					x				
17									
18									
19									
20									N/A
21									
Count		0	1	1	1	1	0	2	
Percentage		0%	5%	5%	5%	5%	0%	10%	

Question:	31	How frequently would you expect an organisation such as yours to be expected to provide gifts or entertainment to government officials:							
Interview No.	Answer	31.1	31.2	31.3	31.4	31.5	31.6	31.7	Other
1				x					
2									
3				x					
4			x						
5				x					
6		x							
7						x			
8				x					
9									
10					x				
11		x							
12					x				
13				x					
14				x					
15		x							
16			x						
17						x			
18									
19									
20									N/A
21									
Count		3	2	6	2	2	0	0	
Percentage		14%	10%	29%	10%	10%	0%	0%	

Question:	32	Which of the following government agencies would, in your experience, an organisation such as yours be expected to provide gifts and/or entertainment to (please circle on or more answers as appropriate):								
Interview No.	Answer	32.1	32.2	32.3	32.4	32.5	32.6	32.7	32.8	Other
1										
2										
3			x	x	x			x	x	
4		x	x	x	x	x	x	x	x	
5				x	x					
6				x	x		x			
7		x	x							
8			x	x	x	x	x	x		
9										
10									x	
11		x	x	x	x		x			
12										
13						x	x			
14								x		
15			x		x		x	x	x	
16						x	x	x		
17					x			x		
18										
19										
20										N/A
21						x	x	x		
Count		3	6	6	8	5	8	8		
Percentage		14%	29%	29%	38%	24%	38%	38%		

Question:	33	Are requests for gifts and/or entertainment by government officials an area of concern for your organisation?							
Interview No.	Answer	33.1	33.2	33.3					
1		x							
2			x						
3		x							
4			x						
5		x							
6		x							
7		x							
8		x							
9			x						
10			x						
11		x							
12			x						
13		x							
14		x							
15		x							
16			x						
17		x							
18			x						
19		x							
20		x							
21			x						
Count		13	8	0					
Percentage		62%	38%	0%					

Question:	34	Has your organisation ever been refused a government service because it has not met a government official's expectation to receive a gift and/or entertainment?							
Interview No.	Answer	34.1	34.2	34.3					
1									
2			x						
3		x							
4			x						
5			x						
6			x						
7			x						
8				x					
9			x						
10				x					
11			x						
12			x						
13			x						
14			x						
15		x							
16			x						
17			x						
18			x						
19			x						
20				x					
21		x							
Count		3	14	3					
Percentage		14%	67%	14%					



Report of Study

