



Anti-Bribery  
Compliance  
Solutions

**TRACE** | *certification*

***Become a More Valuable and  
Transparent Business Partner***

**TRACEcertification shows all of your business partners that your company is a strong and reliable player in the market. Of course it draws new clients but it's also a way to strengthen business relations with your long-standing ones.**

*- Nataliya Tihunova, Director, Smartline Group s.r.o.(Czech Republic)*

**VETTED,  
TRAINED &  
CERTIFIED BY TRACE**

## A Valuable Compliance Credential that Eliminates Redundant Reviews

Increasingly governments worldwide are joining forces to enact and enforce anti-bribery laws that require multinational companies to conduct due diligence on their third party intermediaries. This results in multiple requests from your international business partners to complete detailed review processes. *TRACECertification* allows you to complete one internationally accepted due diligence review and approval process that results in a verified compliance report that you can share with all of your business partners.

## What Does it Mean to be TRACE Certified?

It means that you or your company have completed a comprehensive due diligence process administered by TRACE, the world's leading anti-bribery standard setting organization. Certification by TRACE signifies that you have completed internationally accepted due diligence procedures and have been forthcoming and cooperative during the review process. The successful completion of *TRACECertification* demonstrates your commitment to commercial transparency, allowing you to serve as a valued business partner to multinational companies.

## CASE STUDY

### SOLMAZ CUSTOMS BROKERAGE

Solmaz Customs Brokerage has been in the international trade business since 1978. Solmaz is and has been both a business partner and consultant to thousands of importer and exporter companies all over the world through these years. We have been one of the leading companies in our sector for several decades.

Being a leading company in our business requires meeting many goal posts and having numerous skills including deep business knowledge, consistent customer satisfaction, and flawless organisation planning and execution. Nowadays a significant issue is added to this queue and that is anti-bribery due diligence.

Due diligence is one of our most important assets considering our role being a brokerage company and performing actions in our customers' names. Especially for our global customers, anti-bribery due diligence is a must.

***“FOR OUR GLOBAL PARTNERS, ANTI-BRIBERY DUE DILIGENCE IS A MUST.”***

Completing due diligence trainings and filling out all the required documentation for our entire universe of customers was once a very long, tiring and unnecessarily repetitive process which resulted in a significant loss of time and money. We knew, however, that without completing this process we could risk losing business. It became clear that we had to somehow prove our commitment to anti-bribery compliance and transparent business. This is when we turned to TRACE.

#### **EARNING TRUST WHILE SAVING TIME**

As the leader in its field, it was very easy to find and contact TRACE. With a quick reply and explanation of the process, we started the procedures right away. It took a full week for us to complete all of the required documents and some additional time for follow-up. TRACE checked and verified financial, organisational, and personnel and management information. The process took about two months to complete due to the time difference between countries and non-corresponding working hours (normally it takes around a month to complete). But in basically no time we became TRACE Certified.

What happens next is the part we enjoy. First of all, your certificate is accepted by almost all global companies and you avoid all the time loss for each company's due diligence process. Secondly, with TRACE*certification*, every company you work with considers you a

trustworthy partner. And finally, being a trustworthy partner allows you to connect with many new partners.

## A POWER THAT AFFECTS OPINIONS

We faced a long and stressful tender process to become the customs broker of an energy plant construction firm which we were about to start a new project with. The process took months and several long meetings. During this period, we also initiated the TRACEcertification process which ended happily a week before the tender was concluded. The conclusion of the tender was heart-warming for us and we celebrated over dinner with the managers of our new partner. There we had the chance to ask them about their decision. The answer was very surprising, “Both candidates were very experienced and professional in our area but we had to spend a lot of time for their due diligence process while you were already TRACE Certified. This was the point where you took the lead.”



## WHAT ARE THE ADVANTAGES OF BEING TRACE CERTIFIED?

- › Gain a valuable compliance credential that differentiates you from competitors and is widely recognized in the international business community.
- › Receive a copy of your verified due diligence report to share with an unlimited number of existing and prospective business partners.
- › Inclusion of your name, or company's name, in the TRACE Intermediary Directory, a publicly searchable database of potential business partners for multinational companies.
- › Train up to 40 employees using TRACE's multilingual online training modules including: Anti-Bribery, Avoiding Trafficked Labor and Conflicts of Interest.
- › Permission to use the TRACE logo in your marketing materials and on your website to showcase your commitment to transparency and supply chain integrity.
- › Complimentary access to attend TRACE Anti-Bribery Workshops, hosted regularly around the world for compliance professionals.

## TRACE CERTIFIED ENTITIES: WHO ARE THEY?

TRACE Certified Entities are individuals and small and medium-sized enterprises (SMEs) representing every industry from around the world. TRACE has certified thousands of sales agents, consultants, distributors and suppliers in almost every country. These entities are pre-vetted business partners for TRACE's network of multinational member companies and due diligence customers who are committed to transparency in commercial transactions.



As an added benefit, individuals and businesses who successfully complete the TRACE*certification* process and renew their certification annually are included in the TRACE Intermediary Directory, a publicly searchable database of vetted and trained SMEs for hire.

TRACE's Intermediary Directory streamlines the process for multinational corporations to identify and contact potential new business partners worldwide. For TRACE Certified Entities, the Intermediary Directory provides increased visibility on an international scale and reduces the costs associated with growing the business.

Inclusion in the Intermediary Directory signifies that an entity has been certified by TRACE after completing internationally accepted due diligence procedures and has been forthcoming and cooperative during the review process.

View the Intermediary Directory now at [TPMS.TRACEInternational.org/IntermediaryDirectory](https://TPMS.TRACEInternational.org/IntermediaryDirectory).

**Top  
Five  
INDUSTRIES**

1. Aerospace, Defense, Security
2. Logistics, Shipping, Transportation
3. Energy, Extractives, Oil & Gas
4. Construction, Engineering, Manufacturing
5. Telecommunications, Technology

## CASE STUDY

### DUE DILIGENCE AS A BUSINESS ADVANTAGE

#### S3 INTERNATIONAL

S3 International has been in the military and commercial spare parts industry since 2005. S3 Repair Services, a subsidiary of S3 International, is an FAA-certified Repair Station that offers efficient and cost-effective repair and overhaul solutions with the highest quality. We're based in Milwaukee but our business has us working and competing globally. In fact, the great majority of our work is in international markets, and we'd like to see that sector continue to grow.

The field is a fragmented one with both multinational companies and mom-and-pop vendors vying for a piece of the estimated \$58 billion pie. Accordingly, any point of differentiation that allows us to establish a competitive advantage is one we're going to consider. In 2013, S3 had the opportunity to initiate a distribution agreement with a major original equipment manufacturer (OEM). The business was sizable and the possibility of establishing a relationship was too good to pass up. One of the requirements of the new business proposal was that S3 provide proof of a robust anti-bribery due diligence compliance system. We knew we were compliant, but we needed documentation.

#### INTEGRITY, QUALITY AND INNOVATION

Since our founding, S3 has been committed to customer service, superior innovation and working with integrity. We're accredited by Det Norske Veritas (DNV) under ISO 9001:2008 and EN/AS9120:2009; and by the Aviation Suppliers Association under the ASA-100 quality standard. The company has been a member of good standing of the ARSA for four years. Good corporate citizenship is a hallmark of how we conduct our business, so undergoing a due diligence review process was one we welcomed as an illustration of our seriousness about anti-bribery compliance. The prospective business partner specifically asked us to undergo TRACECertification conducted by TRACE, an internationally recognized anti-bribery standard setting organization. TRACE works with businesses in the global marketplace to enhance transparency by providing due diligence, compliance tools and training. TRACECertification is a comprehensive review and approval process based on internationally accepted due diligence procedures that provides certified entities with portable compliance information. So, not only would the report meet the compliance requirements of this prospect, but we could reuse the information on an as needed basis with other global and governmental partners.

While we were familiar with such certifications, none of our customers had ever required us to complete one in the past, so our first step was to investigate the advantages of such a comprehensive review. We realized the regulatory landscape was quickly evolving though, and with increased oversight in the U.S. and abroad we could see that to get this business and put ourselves ahead of the competition, a recognized international certification was a must.

#### THE COMPLIANCE PROCESS

The process was pretty straightforward, mainly because we had a due diligence analyst who walked us through the process. TRACE has different degrees of reporting based on where you do business, how many partners or vendors you work with, your own company's



history, and other risk-sorting factors. After reviewing the options, we agreed that TRACEcertification was appropriate for S3. (I should note that S3 also applied for – and got – a TRAC number, a company-specific identification number that multinational companies can use to search for baseline compliance information. Both levels of due diligence include screening against all major watch lists on a daily basis.) I completed the paperwork, provided the necessary information regarding our financials, ownership and reputational screening. I was able to turn around the papers within a few weeks. In all, the whole process took two months at most and we were TRACE Certified. It was easy.

## **“HAVING THAT DOCUMENTATION CAN MOVE US TO THE HEAD OF THE LINE”**

### **WHAT IT MEANS: MORE BUSINESS**

First, let me say that we got the distribution deal with the major OEM which initiated the compliance verification process. Aside from documenting our compliance, having a recognized international certification enhances our corporate image. It differentiates S3 from the competition and shows a certain seriousness about being compliant. It signals that we aren't just saying we are an ethical company but by working with a partner who is committed to international transparency, we're keeping good company. Additionally, having the compliance documents ready to go opens a lot of doors for us and tends to speed the pace of business. The discussion doesn't get stuck on compliance issues. We can honestly say – and prove – “Yes, we're compliant. Let's move on.” In fact, we're courting other OEMs and have found that our existing certification meets their requirements as well – drastically reducing the time and red tape involved in the process.

The compliance requirement works on both sides of the supply chain at S3. Our partners require due diligence proof from us, and we've started looking for similar affirmation from our suppliers. Just as having that documentation can move us to the head of the line, the same goes for partners looking to work with us. On our website, S3 proudly illustrates our various professional affiliations. Like memberships in a Milwaukee civic organization or ARSA, we view our TRACEcertification and TRAC number as marketing tools that reinforce the fact that S3 is a good global citizen and a trustworthy business partner committed to transparency. The overarching lesson is when your company has committed itself to doing good work in the right way, your mission should be to ensure the world knows. Find the resources that are available to you – and recognized by your strategic partners – to help tell that story. S3 International is the parent organization of S3 Repair Services, which is based in Milwaukee, Wisc. and has been an ARSA member since 2010.

By Aksel Sidem, General Manager, S3 International © 2014 Aksel Sidem. All rights reserved.  
*This case study was published in the ARSA June 2014 newsletter, available online at <http://arsa.org/news-media/newsletters/june-2014-2/#QT3>*



## THE GOLD STANDARD OF DUE DILIGENCE

TRACE has spent over a decade setting the standard for risk-based, anti-bribery due diligence by continually benchmarking the practices of hundreds of multinational corporations. The parameters of the TRACECertification due diligence process have been defined by this in-depth, hands-on experience.

Successful completion of this internationally recognized review results in ownership of a comprehensive report of verified compliance information that can be shared with an unlimited number of existing and prospective business partners. TRACE Certified Entities also receive a certificate confirming completion of the review process.

### TRACECertification REPORT COMPONENTS

- › True Beneficial Ownership
- › Business Structure
- › Information Regarding Subsidiaries, Affiliated Entities and Third Parties
- › Business Registrations
- › Countries In Which Services Are Provided
- › Identification of Company Owners, Directors and Key Employees
- › CVs of Company Owners, Directors and Key Employees
- › Certification of Current and Past Government/Military Ties of Company Owners, Directors and Key Employees
- › Certification of Outside Ownerships, Directorships and Employment of All Owners, Directors and Key Employees
- › Full Disclosure of Family Members' Government Ties
- › Corporate Literature or a Company Description
- › Contact Information for Business References
- › Financial Reference or Audited Financial Statement
- › Certifications Regarding Past Misconduct
- › Evidence of Anti-Bribery Code of Conduct
- › Responses to TRACE world renowned questionnaire
- › Watch List Searches
- › Politically Exposed Persons Database Screenings
- › Print-Based Media Searches
- › Internet-Based Searches
- › Identification of Red Flags
- › Completion of Online Anti-Bribery Training



## GET CERTIFIED

Getting started with TRACE*certification* is easy! To begin the certification process, follow the 8 steps below and be prepared to complete a comprehensive anti-bribery questionnaire. On average, TRACE*certification* reviews are completed within 2-3 weeks.

- Step 1:** Visit [www.TRACEinternational.org/get-certified](http://www.TRACEinternational.org/get-certified) to complete the general interest form. A member of the TRACE*certification* Team will contact you within 3 business days with details for setting up your online account.
- Step 2:** Follow the instructions for creating an account on TRACE's Third Party Management System (TPMS) and remit payment.
- Step 3:** Provide your consent to participating in the review process, including Media Searches dating back 10 years and Denied Party Screening.
- Step 4:** Complete the world renowned TRACE Anti-Bribery Questionnaire, including:
- › Detailed company information, including information on subsidiaries and affiliated entities
  - › Business registrations, as applicable
  - › Corporate literature or a company description
  - › Beneficial ownership (except for shareholders owning less than 5% of publicly-traded companies)
  - › Identification of directors and key employees
  - › Curriculum vitae for owners, directors and key employees
  - › Additional ownerships, directorships and employment of all owners, directors and key employees
  - › Current government employment of owners, directors and key employees
  - › Previous government employment of owners, directors and key employees
  - › Contact information for three business references
  - › One financial reference or audited financial statement
- Step 5:** Adopt an Anti-Bribery Code of Conduct or show proof of an existing policy addressing bribery, extortion and kickbacks.
- Step 6:** Participate in Anti-Bribery Training through TRACE's interactive online system.
- Step 7:** Cooperate with TRACE Due Diligence Analysts to review and verify your compliance information.
- Step 8:** Review and update key information once a year during the annual renewal process.

*TRACEcertification is not a guarantee against past or potential wrongdoing by the certified entity or a guarantee against potential liability. A summary of any "red flags" identified during the TRACEcertification review will be included in the report, but not all red flags preclude TRACEcertification. Companies doing business with the TRACE Certified entity should always request a full copy of the underlying report.*

TRACEcertification provides the compliance community with an invaluable service by setting a global standard for third party due diligence that is based on the highest benchmarks.

- Bapsy Dastur  
General Counsel – Head Legal & Integrity IMA, ABB (UAE)

## About TRACE

TRACE International and TRACE Incorporated are two distinct entities with a common mission to advance commercial transparency worldwide by supporting the compliance efforts of multinational companies and their third party intermediaries. TRACE International is a non-profit business association that pools resources to provide members with anti-bribery compliance support while TRACE Incorporated offers both members and non-members customizable risk based due diligence, anti-bribery training and advisory services. Working alongside one another, TRACE International and TRACE Incorporated offer an end-to-end, cost-effective and innovative solution for anti-bribery and third party compliance.

For more information, visit [www.TRACEinternational.org](http://www.TRACEinternational.org).

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