



**FINANCIAL AGENCY  
ANTI-CORRUPTION PROGRAMME**



## Preface

On 26 November 2009, the Government of the Republic of Croatia enacted the Anticorruption Programme for Companies in which the Republic of Croatia is a Majority Shareholder 2010-2012, whose objective was to strengthen integrity, responsibility and transparency of working, create the prerequisites for the prevention of corruption on all levels, and affirm the “zero tolerance” approach to corruption.

In 2010, the Financial Agency (Croatian: Financijska agencija, hereinafter: Fina) started implementing the said Anticorruption Programme by adopting its own Action Plan, and implementing the measures and achieving the targets outlined in the Anticorruption Policy adopted by the Government of the Republic of Croatia.

In its pursuit of the said targets, Fina, among other things, adopted the Code of Ethics, put in place an irregularities reporting system, appointed an Information Officer, an Ethics Commissioner, and an Irregularities Officer, and established a system for quarterly and annual reporting about their activities.

Upon the expiry of this Programme, Fina continued to implement the measures that were defined, and adopted its own Anticorruption Programme in 2014 as an expression of its preparedness for and commitment to unconditional and full affirmation of the “zero tolerance” approach to corruption.

Under its Anticorruption Programme, Fina established the Anticorruption Team, composed of the Ethics Commissioner, the Irregularities Officer, and the Information Officer who were already appointed. This team continued to work on the achievement of the targets defined in the Anticorruption Programme.

In the meantime, the Act on the Protection of Persons Reporting Irregularities (Official Gazette no. 17/2019) was adopted in 2019 to raise awareness and encourage citizens to report any knowledge of irregularities related to the performance of their work for their employer. Under this Act, Fina introduced the function of “Trusted Person”. Under the Act on the Internal Control System in the Public Sector (Official Gazette no. 78/2015, 102/2019) and the Regulation on the Procedure and Reporting of Irregularities in the Management of the Resources of Public Sector Institutions (Official Gazette no. 78/2020), a bylaw supporting the above Act, the Trusted Person in institutions that appointed one also become the Irregularities Officer.

To align the national legislation with the EU acquis, the new Act on the Protection of Persons Reporting Irregularities (Official Gazette no. 46/2022) was adopted in 2022, further improving the system for the reporting and public exposure of irregularities, reinforcing the protections afforded to persons reporting irregularities and related persons, as well as trusted persons and their deputies, and improving the mechanism of misdemeanour sanctioning.



In addition to the said trusted person function, Fina, as an entity required to perform compliance controls with respect to its operations, as per the Decision Requiring the Introduction of the Compliance Monitoring Functions in Legal Persons in which the State is the Majority Shareholder (Official Gazette no. 99/19), Fina also introduced the compliance monitoring function, and appointed compliance officers.

The second phase of strengthening anticorruption efforts and Fina's integrity started in 2023 during Fina's cooperation with the Organisation for Economic Co-operation and Development (OECD) and the Basel Institute on the "Compliance Without Borders" project.

The analysis of the situation in Fina found that new functions, each separately working against corruption, had been introduced in the previous years, and that the awareness of this global and widespread problem was much higher than ten years ago. It was therefore concluded that time had come to introduce other anticorruption tools, and that Fina needed to follow the guidelines of international organisations with much greater anticorruption experience, and ultimately adopt the good practices of other Croatian and foreign companies, both privately owned ones and the ones in which the state is the majority shareholder.

The new Anticorruption Programme, revising the targets for the future period, was adopted based on the analysis of all applicable regulations in the Republic of Croatia and OECD's Guidelines on Corporate Governance of Companies in which the State is the Majority Shareholder, and the supporting Action Plan of the Republic of Croatia 2022-2024 accompanying the Corruption Prevention Strategy 2021-2030, and adapting it to the specificities of Fina. Also, a new member was added to the Anticorruption Team, the Compliance Officer, the appointed Trusted Person also became the Irregularities Reporting Officer, and the new Code of Conduct for Fina's Employees was adopted, along with the new Code of Ethics, aligned with the provisions of the Act on the Prevention of Conflicts of Interests (Official Gazette no. 143/2021 and 36/2024).

New irregularities reporting channels were opened, and all relevant information about the reporting of all types of irregularities were made available on Fina's intranet and website.

Efforts against money laundering and financing of terrorism are also an important element of anticorruption, as are the international restrictive measures implemented in accordance with the legal acts and decisions enacted by the European Union and the United Nations, mostly relating to the freezing of assets in order to restrict certain activities or procedures threatening international security or undermining human rights.





## **The concept of corruption**

Corruption (derived from Latin *corruptio* = bribery) is the practice of taking advantage of a public office for personal gain. In legal terms, corruption means requesting or accepting any kind of monetary value or other benefit, such as a gift, service, promise or favourable treatment, in exchange for an action or omission in the exercise of a public office.

There is no uniform definition of the concept of corruption in the Croatian legal system, but this concept is conventionally understood as giving and receiving bribe, illegal mediation, abuse of the performance of state authority duties, abuse of position and authority, entering into onerous contracts, divulging an official secret, and divulging a trade secret or obtaining a trade secret without authorisation.

From the societal point of view, corruption is the exploitation of public and social goods for personal benefit. The concept is mostly associated with the abuse of position and authority. Corruption in public administration, government institutions and authorities, and state-owned and public companies is one of the most significant challenges faced by the Republic of Croatia. Corruption undermines the functioning of the market and economic growth, reduces tax sources, negatively impacts the state budget, and leads to insecurity and loss of trust in government institutions.

## **Anticorruption Programme**

The Anticorruption Programme is Fina's policy comprising comprehensive measures for the prevention of corruption in Fina, adopted in its revised form in order to improve the professional and ethical conduct of Fina's employees and all stakeholders in its business environment, and to increase and improve Fina's corporate social responsibility.

### **Anticorruption targets:**

#### **1. The management's commitment to anticorruption**

By reinforcing its Anticorruption Programme, Fina shows strong commitment to preventing corruption and nurturing a culture of integrity throughout its organisation. Corruption, as a social phenomenon, has a strong negative effect on the trust in institutions, on the economy, and on the business community in general. It has an unquestionable negative effect on the economic well-being and prosperity of all citizens. Fina has therefore made the activities focusing on recognising, preventing and suppressing corruption a priority on all levels.

## **2. Code of Conduct and Code of Ethics**

These two Codes establish a clear and comprehensive policy of expected professional conduct and ethical standards for Fina's employees and all partners, including zero tolerance of corruption. The new Code of Ethics and Code of Conduct applicable to Fina's employees provide more detail on the provisions relating to the most critical areas of anticorruption: conflict of interests and inappropriate gift receiving and giving.

## **3. Corruption risk assessment**

Corruption risk assessment is a tool used to determine and analyse different corruption risks faced by a public authority. This tool defines which risks are to be addressed, and in which timeframe. Defining the risk assessment steps is a key element of any plan that allows identifying and addressing risk priorities, and adapting the plan to real and existing corruption risks. Corruption risk assessment also includes the analysis of the risk of occurrence of corruption in sensitive jobs. As for the protection of ethical values, corruption risk assessment has a positive impact on the working environment, and becomes relevant in terms of preventing corruption by expanding beyond sanctioning, and helping increase and strengthen awareness of corruption issues both among the employees and among the management. Regular risk assessments, whose purpose is to identify the areas of vulnerability to corruption within the operations of an organisation and to implement mitigation measures for these risks, indisputably reduce corruption.

## **4. Education and awareness-raising**

In addition to the establishment of normative frameworks, continuous education will be provided for all employees and the management going forward, and awareness-raising efforts will be aimed at employees on all levels to educate them about the risks of corruption and the importance of ethical conduct. Guidelines will be developed for better understanding of acts of corruption in specific situations in professional and personal life, with specific examples. Compliance Officers will be available to answer all questions, and in particular to provide advice regarding the analysis of specific situations.

## **5. Whistleblower protection**

To protect whistleblowers, Fina adopted the Regulations on the Internal Procedure for Reporting Irregularities, regulating the reporting procedure, the procedure protecting the persons reporting





irregularities, and all rights and obligations derived from the above for the organisation and for the person reporting irregularities. A confidential and safe mechanism for reporting cases of corruption without fear of retaliation was thus implemented. A Trusted Person was appointed, and all information about the reporting of irregularities was made public on Fina's intranet and website. Going forward, Fina will organise awareness-raising and empowerment activities for its employees to help them recognise and address all suspicious situations, and to inform them about the course of the proceedings, and the rights and obligations of persons reporting irregularities. To protect the identity of persons reporting irregularities, all stakeholders will be educated about the confidentiality of the proceedings.

## **6. Due diligence**

Due diligence of third parties, such as suppliers and business partners, will be performed as a part of compliance efforts to prevent risks of corruption in external dealings, contractually binding business partners to comply with Fina's Code of Ethics, and in particular to comply with the provisions of the EU acquis and the Croatian legislation dealing with the prevention of money laundering and financing of terrorism, and monitoring international restrictive measures.

## **7. Monitoring and reporting**

A mechanism will be put in place to monitor compliance with anticorruption policies and inform the relevant stakeholders, including the Management Board and the Supervisory Board, about the achieved progress. In this segment, the focus will be on expanding the scope of monitoring of all anticorruption activities, including trainings provided to employees in course of the year, attendance statistics, analysis of reports and efforts to improve the actions in the proceedings in question, and quarterly and monthly reporting.

## **8. Cooperation and transparency**

Cooperation with employees and all stakeholders in Fina's business operations, as well as transparency, will be encouraged through open dialogue and the introduction of a "speak up" culture, raising awareness of the problem of corruption and the need to eliminate its causes and opportunities to engage in corruption, thus creating a better and more prosperous environment for everyone.



## **Anticorruption Team**

Fina's Management Board appoints the Anticorruption Team, which supervises the implementation of the Anticorruption Programme, assesses the suitability of the set targets, monitors compliance with all legal instruments and good practices, and continually learns about anticorruption.

The Anticorruption Team meets once per quarter. At these meetings, the Anticorruption Team analyses the activities implemented in the previous period, analyses upcoming obligations, and addresses current issues. Minutes are drawn up after every meeting.

Once a year, the Anticorruption Team prepares and adopts the Annual Plan and Report about its activities, submitting it to the Management and Supervisory Boards.

**The Anticorruption Team is made up of the following persons, with their respective competences and types of irregularities that the reports and inquiries refer to:**

- **Ethics Commissioner**

The Ethics Commissioner is responsible for receiving complaints from employees, citizens, Fina's partners, and all other persons concerning infringements of the provisions of the Code of Ethics, unethical and possible corruptive actions engaged in by Fina's employees, and the promotion of ethical conduct in employees' interpersonal relations.

Reports are submitted by email to: [etickipovjerenik@fina.hr](mailto:etickipovjerenik@fina.hr).

- **Trusted Person**

The Trusted Person receives reports about irregularities from an explicit catalogue of actions relating to public procurement, financial services, products and markets, the prevention of money laundering and financing of terrorism, product safety and compliance, traffic safety, environmental protection, protection against radiation and nuclear security, food and feed safety, animal health and welfare, public health, consumer protection, protection of privacy and personal information, and online and information system security; affecting the EU's financial interests (Article 325 of the Treaty on the Functioning of the European Union and other EU measures); relating to the internal market (Article 26 (2) of the Treaty on the Functioning of the European Union), including infringement of the EU's competition and state aid rules, and infringements relating to the internal market with respect to actions infringing on corporate tax rules, or arrangements whose purpose is to obtain a tax advantage which goes against the objective or the purpose of the applicable corporate tax legislation; relating to other provisions of national law if such infringement also undermines public interests.

Since the Trusted Person is also the Irregularities Reporting Officer, this person also accepts reports about situations relating to non-compliance with or misapplication of laws





and other regulations resulting from the actions taken or oversights made by the employer, which have or could have an adverse impact on budgetary resources and resources from other sources, including revenues/receipts, expenditures/outlays, returns, assets, claims or liabilities, and which contravene the ethical principles in the public sector, and are classified as irregularities for which no misdemeanour provisions have been provided, irregularities that exhibit the feature of misdemeanour, and irregularities where there is suspicion of criminal offense.

Reports are submitted:

- By email to [prijava.nepravilnosti@fina.hr](mailto:prijava.nepravilnosti@fina.hr);
- By registered mail with return receipt;
- At a meeting with the Trusted Person, scheduled by appointment at the request of the person reporting irregularities.

- **Information Officer**

Natural and legal persons direct their inquiries regarding the exercise of their right of access to information and the reuse of information in Fina's possession to the Information Officer.

Reports are submitted by email to: [ppi@fina.hr](mailto:ppi@fina.hr).

- **Compliance Officer**

The Compliance Officer receives inquiries and reports relating to situations resulting from the non-compliance of Fina's operations with applicable regulations and good practices, and situations in which the need arises for consultations regarding potential or actual non-compliance situations.

Reports are submitted by email to: [compliance@fina.hr](mailto:compliance@fina.hr).

### **Supervision of the implementation of the Anticorruption Programme**

The Internal Audit and Internal Control Department supervises the implementation of the Anticorruption Programme by performing regular or extraordinary audits in accordance with the methodology provided by the Charter of Financial Agency's Internal Auditors and Financial Agency's Handbook for Internal Auditors, while complying with the International Standards for the Professional Practice of Internal Auditing.





To ensure that anticorruption efforts are purposeful, focused and effective, the Management Board of Fina sets targets that need to be achieved within the given timeframes for all stakeholders of Fina's business activities. The targets may be upgraded if so mandated by the circumstances and requirements.

All Fina's employees and business stakeholders are obligated to support the implementation of all anticorruption requirements and activities.

Some specific anticorruption activities can feature confidential information and are only available to authorized employees of Fina.

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President of the Management Board

Dražen Čović, MSc