

# COMPLIANCE COSOURCING in Turkey

Cerebra CPAs & Advisors  
proposes a **collaborative  
sourcing model** for the  
compliance function of your  
business in Turkey.

# CEREBRA WORKS ON THE FRONT-LINE

## TO ASSIST YOUR COMPLIANCE TEAM IN TURKEY IN REDUCING ILLEGAL AND UNETHICAL ACTIVITIES.

Companies conducting business overseas face growing financial, legal and reputational risks. Understanding and managing these risks, particularly in higher risk jurisdictions like Turkey, is a real challenge.

Expectations on compliance functions are rapidly increasing, and so are the risks associated with failing to meet these expectations. An organization's risks for non-compliance with regulatory requirements can result in consent decrees, prosecution, legal sanctions, liability suits, failed business strategies, and damage to reputation and brand. In extreme cases, non-compliance can threaten the existence of the organization.

In the past, a compliance professional's role was somewhat limited to ensuring the organization complied with the laws and regulations that govern it. Today, that role has expanded exponentially. Compliance executives are now expected to create and nurture strong organizational cultures, as well as protect their organizations against financial, reputational and legal risks. If your company conducts business overseas, financial, legal and reputational risks become even more important because of:

- a dramatic increase in levels of business in high risk countries,
- difficulties in recognition, assessment and management of ethics and compliance risks
- increasingly complex business regulations worldwide such as FCPA, UK Bribery Act, Sapen II, OECD Anti-Bribery Convention,
- mounting pressure from regulators, enforcement agencies and civil society.

### WHY TURKEY IS A HIGH-RISK JURISDICTION?

#### Transparency International (TI)

As one of the leading global civil society organizations in the fight against corruption, Transparency International has published the Corruption Perception Index annually since 1995. The index reveals that in the last decade, with a loss of significant points, Turkey became one of the a few countries whose situations deteriorated most.

#### Association of Certified Fraud Examiners (ACFE)

ACFE is the world's largest anti-fraud organization. In accordance with Global Study on Occupational Fraud and Abuse of ACFE, in the Eastern Europe and Western / Central Asia region where Turkey is, corruption represents one of the most significant fraud risks. %60 of cases involve corruption which is the second highest rate in the world.

#### TRACE International

TRACE is a globally recognized anti-bribery business association. In accordance with the TRACE Bribery Risk Matrix that measures business bribery risk across the world, Turkey performed extremely bad in the last years and fall behind many emerging markets.





## Consider compliance cosourcing in Turkey

How can you meet these expectations in your overseas business? It may not be cost effective for a multinational business operating in numerous jurisdictions, particularly high-risk ones, to assemble the necessary skills and knowledge within its own compliance department. With a collaborative sourcing model, you can have a dedicated Cerebra cosourcing team working side by side with your team to address your compliance and reporting obligations. Cosourcing provides a scalable, flexible staffing model that can evolve with your needs.

Your compliance department retains management oversight of operations and decision making. Cerebra cosourcing team performs part or all of your compliance-related activities, depending on your strategy. Cerebra contributes a deep pool of talented specialists, who understand related requirements, are adept at process standardization and automation, and can address specific issues identified through the compliance process.

## Which compliance activities can be cosourced?

It may be better to keep activities in-house that require deep company knowledge such as strategic compliance activities. In contrast, some strategic activities requiring specialized skills but less company-specific knowledge and non-strategic requirements such as third party due diligence and testing anti-bribery financial controls can be prime cosourcing candidates. Cerebra compliance cosourcing services can offer standardized processes, automation capabilities, and economies of scale to increase efficiency and free up in-house capacity to focus on higher-value activities.

**Access a team of compliance experts** – We offer tailored expertise and focus on guiding clients to reduce the risk of non-compliance across a wide range of compliance services.

**Improve your compliance standards** – As well as preparing regulatory filings, conducting reviews and providing on-going support, we make sure we're feeding back the latest regulatory best practice into your policies and processes.

**Make better use of your resources** – You're fighting in a competitive market, the way you allocate resources matters. By cosourcing compliance, you can free up people that are better used to strengthen and grow your position in the market.

**Get continuous compliance training** – With scheduled programmes and ad-hoc training support, we ensure that your team is getting the training it needs to make smart and appropriate decisions.

**Outsource specific projects** – Maybe it's not the right time to move or hire permanent staff. We can support you with a specific project, until it's completed or you're able to resource it with in-house compliance expertise.

**Get independent assessment** – Although we try to feel like part of your team, we remain independent which means we're free from undue influence and less prone to the same workplace pressures as your internal employees.

**Why trust Cerebra  
with such an  
important function?**

# COMPLIANCE AREAS YOU CAN COSOURCE TO CEREBRA

## **Whistle-blowing management**

- Assessment of concerns of wrongdoing
- An anonymous dialogue with the whistle-blower
- Reporting issues to the management together with proposal on means of addressing concerns of wrongdoing

## **Assessing and testing anti-bribery financial controls**

- Checks and balances (including assignment of authorities, separation of functions, counter signatures, financial thresholds for approvals)
- Cash controls
- Off-the-book accounts
- Off-shore payments
- Control of assets
- Accurate books and records

## **Compliance trainings**

## **Management of third party risks to prevent and detect corruption, bribery and fraud**

- Conducting third party due diligence questionnaire for high risks business partners which are determined by the Company management
- Assessing answers of third parties regarding due diligence and responding to concerns raised as a result of assessment
- Focusing on conflict of interest issues
- Reporting results of due diligence to the Company management for final decision on onboarding
- Monitoring activities during post-onboarding process for high risk business partners

## **Management of gifts, hospitality and travel expenses (together called 'promotional expenses') to prevent and detect corruption, bribery and fraud**

- Monitoring promotional expenses in accordance with the procedures set by the head-office
- Reporting to the Company management on promotional expenses periodically



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## About Cerebra & Contacts

Cerebra CPAs & Advisors is an independent accounting and advisory firm based in İstanbul, Turkey, established in 2009, that provides solutions in the areas of risks, business process and internal control system, internal audit, accounting compliance & reporting, anti-fraud and ethics and compliance.

Combining years of international expertise with in-depth Turkish experience and knowledge, Cerebra serves clients from all over the world. Our clients are mostly foreign firms that are investing or already operating in Turkey. We also work closely with international & local law firms, investment banks, advisory firms, private equity funds and non-governmental organizations.



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