

Member Update

No. 16 of 22 • 14 September 2022

TOPIC: Second Consultation - Modern Slave Labour / Anti-Corruption (Bribery) Clauses

DISTRIBUTION: GTA Members – primary contact list. Please circulate to all appropriate internal parties.

1. Purpose

The purpose of this Member Update is to advise members and seek submissions on a second draft of the **Modern Slavery, Anti-Corruption and Anti-Sanction Clauses for inclusion in the GTA Trade Rules**.

2. Background

GTA's Commerce Committee has been considering the inclusion of clauses for Modern slavery, anti-corruption (bribery) and sanctions within the suite of GTA standard form contracts. This review was a result of submissions from members seeking GTA's Commerce Committee to consider whether **Modern Slavery, Anti-Corruption and Anti-Sanction Clauses** can be included within GTA Trade Rules and Contracts.

- **Modern slavery** is a term used to describe serious exploitation. It does not include practices like substandard working conditions or underpayment of workers. These practices are also harmful and may be present in some situations of modern slavery
- **Anti-Corruption** clauses provides counterparties with a regime to respond to unlawful demands for gifts in cash or kind. They provide a process to resist such demands and measures where this is not successful.
- **Anti-Sanction** clauses include representations and warranties that neither party are subject to any trade or financial sanctions/boycotts.

Modern slavery, bribery and sanctions can occur in every industry and sector and has severe consequences for victims. They can also distort global markets, undercuts responsible business and can pose significant legal and reputational risks to entities. Taking action to combat these matters makes good business sense. Entities that take action to combat these issues in their operations and supply chains can protect against possible business harm and improve the integrity and quality of their supply chains.

3. Second Consultation seeking GTA Member Input into the proposed Amendment to the GTA Trade Rules

The GTA Commerce Committee considered the inclusion of **Modern Slavery, Anti-Corruption and Anti-Sanction Clauses** in the Trade Rules and sought GTA member input via [Member Update 7 of 22](#) on the 19th May 2022 on a draft of the proposed new Clauses in the GTA Trade Rules.

Submissions were received, reviewed by the Committee and **a further draft has been prepared for Industry Consultation**. GTA is seeking GTA member input into the proposed Clauses and their inclusion in the GTA Trade Rules. By including them in the GTA Trade Rules, they will apply to contracts that reference the GTA Trade Rules.

The revised proposed **Modern Slavery, Anti-Corruption and Anti-Sanction Clauses** Clause are:

Modern slavery and anti-corruption contract clauses for inclusion in GTA Trade Rules

1 Definitions

Modern Slavery means the same as “modern slavery” in the *Modern Slavery Act 2018* (Cth) and as supplemented by definitions in any other modern slavery legislation in Australia.

Modern Slavery Laws means all Australian laws regarding Modern Slavery.

2 Warranty

2.1 The Seller warrants that:

- (a) the Seller, and to the best of its knowledge and belief, its personnel and its sub-contractors comply with Modern Slavery Laws;
- (b) it will use best endeavours to identify the risk of, and prevent the occurrence of, Modern Slavery within its organisation and supply chains; and
- (c) it has not received notice of any adverse finding, enforcement action or any legal claim by or through any person or relevant authority connected to Modern Slavery Laws.

3 Anti-Corruption

3.1 The parties warrant that in connection with the performance of the contract they shall each;

- (i) comply at all times with all applicable anti-corruption legislation and have procedures in place that are designed to prevent the commission of any offence under such legislation by any member of its organisation; and
- (ii) make and keep books, records and accounts which in reasonable detail accurately and fairly reflect the transactions in connections with the contract.

4 Sanctions

4.1 Each party represents and warrants that it has not taken or refrained from taking any actions that would cause it, or the other Party to be in contravention of the laws, regulations, resolutions, decrees or rules of any relevant jurisdictions relating to sanctions, trade embargoes, trade controls or boycotts. Each Party also undertakes not to take or refrain from taking any action that would have the above result.

4. Call for Submissions

Industry feedback on the above proposed additions to the GTA Trade Rules must be received by **Friday 16 September 2022** and be forwarded to submissions@graintrade.org.au. Submissions should be presented on the [GTA Technical Committee Submission Form](#)

Further queries please contact admin@graintrade.org.au

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