

## Media Release

### OECD Efforts to curb foreign bribery remain inadequate

*TI calls for effective enforcement of commitments*

**Berlin, Dhaka, 28 July, 2010** – The number of OECD countries enforcing a ban on foreign bribery has shown modest progress in the last six years, with countries representing more than half of world exports taking action, according to a new report by Transparency International (TI). However, TI expressed its concern that there are still twenty countries that have taken little or no action.

TI's report shows that 7 of the 36 countries evaluated are actively enforcing the OECD Anti-Bribery Convention to which they are party. These countries represent approximately 30 per cent of world exports. The increase from four to seven actively enforcing countries since TI's 2009 report is a positive development. The 2010 TI report also shows moderate enforcement in nine other countries which account for 21 per cent of exports. The 20 countries with little or no enforcement represent about 15 per cent of world exports.

Denmark, Italy and the United Kingdom have advanced from moderate to active enforcement. Argentina has advanced to moderate enforcement. Canada, a member of the Group of 8 industrialised nations, has little or no enforcement.

In the six years since TI began reviewing implementation of the OECD ban on foreign bribery, enforcement has doubled from eight to sixteen countries. That represents important progress. However, it is disturbing that 20 countries still show little or no enforcement. The difficult economic environment is no excuse for OECD governments to ignore their collective commitment to stop foreign bribery. To the contrary, cleaning up foreign bribery must be regarded as a key part of the reforms needed to overcome the worldwide recession.

Dr. Iftekharuzzaman, Executive Director of Transparency International Bangladesh (TIB), who is also a member of the International Board of TI said that it is disappointing that some of the countries which claim to have succeeded in effectively controlling corruption, continue to fail to keep the commitments they have made to ban foreign bribery. Such countries include New Zealand, Canada, Austria and Australia. This reflects their failure to uphold the same standards and practices in international transactions as they do domestically, he said.

Dr Zaman called upon all countries that have ratified the OECD Convention to take all necessary measures to enforce the commitments made to ban foreign bribery and demonstrate that they care about preventing export of bribery and corruption to countries outside their national frontiers where they operate.

One third of world exports come from countries that are not party to the OECD Convention. The increasingly important role played by China, India and Russia in the global economy cannot be ignored. As their share of world trade is growing, it is essential that these countries play by the same rules as other major exporters. TI urges the OECD to expedite its ongoing efforts for additional governments to join the convention.

To make real gains in the fight against foreign bribery, the OECD must exert high-level political pressure on lagging countries coupled with peer pressure from the leaders of countries that are actively enforcing the convention.

### **Key Results**

Category	Percentage of world trade	Countries
Active Enforcement ( 7 )	30%	Denmark, Germany, Italy, Norway, Switzerland, United Kingdom, United States
Moderate Enforcement ( 9 )	21%	Argentina, Belgium, Finland, France, Japan, Korea (South), Netherlands, Spain, Sweden
Little or No Enforcement ( 20 )	15%	Australia, Austria, Brazil, Bulgaria, Canada, Chile, Czech Republic, Estonia, Greece, Hungary, Ireland, Israel, Mexico, New Zealand, Poland, Portugal, Slovak Republic, Slovenia, South Africa, Turkey

The last few years have seen a substantial increase in the number of foreign bribery cases that have been resolved by negotiated settlements. While settlements can avoid the long delays, high costs and unpredictable outcomes of litigation, it is essential that settlements be accompanied by full transparency. TI urges OECD governments to adopt procedures for independent judicial reviews, the publication of settlement terms, evidence, and other measures to ensure satisfactory punishment of guilty corporations and individuals.

The 2010 Progress Report on the OECD Anti-bribery Convention is the sixth in a yearly series and examines the enforcement performance of 36 of the 38 countries that have ratified the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. It is based on information provided by TI experts and includes detailed case studies of prominent foreign bribery cases involving multinational companies. The 2010 report also covers country performance in areas such as the adequacy of laws and systems, the requirements and enforcement of export credit agencies, and access to information on foreign bribery cases. The full report can be viewed on [www.transparency.org](http://www.transparency.org) and [www.ti-bangladesh.org](http://www.ti-bangladesh.org).

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