

The OECD Anti-Bribery Convention and the Working Group on Bribery

Why fight foreign bribery?

Bribery of public officials to obtain advantages in international business raises serious moral and political concerns, undermines good governance and sustainable economic development, and distorts competition. The OECD is leading global efforts to level the playing field for international business by fighting to eliminate bribery of foreign public officials from competition for contracts and investment.

Corruption in awarding business contracts has social, political, environmental and economic costs – which no country can afford. Serious consequences result when public officials take bribes in awarding contracts to foreign businesses for public services such as roads, water or electricity. A one-million-dollar bribe can rapidly amount to a one-hundred-million-dollar loss in a poverty-stricken country, as derailed projects and inappropriate investment decisions undermine plans for development.

Parties to the OECD Anti-Bribery Convention

- Argentina
- Australia
- Austria
- Belgium
- Brazil
- Bulgaria
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- South Africa
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

What is the OECD Anti-Bribery Convention?

The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions is a legally binding international agreement; countries which join the Convention agree to establish a criminal offence of bribing a foreign public official in their national laws, and to implement effective policies to prevent, detect, investigate and sanction foreign bribery.

The OECD Anti-Bribery Convention is the first and only international anti-corruption instrument focused on the “supply side” of the bribery transaction – the person or entity who offers, promises or gives a bribe. This precise focus has allowed the OECD to become the world’s foremost authority on bribery in international business.

How does the Convention combat foreign bribery?

Signatory countries’ national laws must hold both individuals and companies responsible for foreign bribery. It is a crime even if the company would have earned the was the best qualified bidder and would have won the contract without bribing. Bribery committed through an intermediary, subsidiary or other

agent – and bribes that benefit a foreign public official’s family or political party, or another third party (e.g., a charity or company in which the official has an interest) – are also illegal.

Other obligations under the Convention include: providing prompt legal assistance to other countries investigating foreign bribery allegations; denying tax deductibility of bribe payments; and imposing sufficient sanctions for foreign bribery convictions.

The OECD Anti-Bribery Convention creates a strong foundation for countries’ commitment to fight foreign bribery, and establishes tough and effective standards to guide their efforts going forward.

How is the Convention enforced?

Over the past decade, the OECD Anti-Bribery Convention’s monitoring mechanism has established it as the pre-eminent international anti-corruption instrument. The Convention is only effective when all Parties implement it fully and adhere to its tough standards.

Delegates to the OECD Working Group on Bribery both invite review by their peers, and serve as examiners for other countries. This mutual evaluation process creates peer pressure within the Working Group – and motivates countries to ensure the highest level of compliance with the Convention, and to take concrete action to fight corruption.

The monitoring process has so far followed a two-phase process. Phase 1 examinations are an in-depth review of each country’s national laws and other legal measures to implement the Convention, to ensure that they meet its high standards. Phase 2 reviews look at the effectiveness of Parties’ legislative and institutional anti-bribery frameworks in practice. They include a week-long on-site visit in which examiners from two Parties to the Convention and members of the OECD Secretariat meet with key stakeholders in the review country.

In 2010, a Phase 3 monitoring cycle began. The purpose of Phase 3 is to maintain an up-to-date assessment of the structures put in place by Parties to the OECD Anti-Bribery Convention to enforce the laws and rules implementing the Convention and the 2009 Recommendations. Phase 3 involves a shorter and more focussed evaluation than Phase 2, and concentrates on the following three pillars:

- progress made by Parties to the Convention on weaknesses identified in Phase 2
- issues raised by changes in the domestic legislation or institutional framework of the Parties
- enforcement efforts and results, and other key group-wide cross-cutting issues

For more information on foreign bribery and the OECD Anti-Bribery Convention, go to: www.oecd.org/daf/nocorruption.