



IMPLEMENTING THE OECD CONVENTION AGAINST CORRUPTION: WORKING WITH THE PRIVATE SECTOR

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WHITE & CASE S.C.



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1. CONTEXT

Implementation of the OECD Convention

By signing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions in 1997, thirty-five countries (among which Argentina, Brazil, Canada, Chile, Mexico and the United States) agreed that paying bribes to foreign public officials in order to obtain international business deals was no longer acceptable. The monitoring process has proved to function efficiently, as almost all State parties have implemented legislation bringing national law into accordance with the Convention and will be evaluated on how efficiently they are applying this legislation. This second phase of the monitoring process has already started with the review of Finland, the US, Iceland and Germany.

In parallel with the monitoring process of the Convention, the OECD Secretariat is developing complementary initiatives to ensure the efficient implementation of this key instrument. The general philosophy is to complement the legalistic work linked to the implementation of the Convention with activities focused on the prevention of corruption in international transactions, that promote the adoption of internal prevention mechanisms in firms and in public administrations. These initiatives are meant also to create bridges between the related regulatory trends of corporate governance and corporate responsibility, and to develop the dialogue and collaboration with the business community.

OECD Global Forums

More broadly, the Organisation for Economic Co-operation and Development has a general mandate to ensure integrity and transparency in the international economy and to help member and non-member countries improve the quality of governance. In its Final Communiqué of May 2002, the OECD Ministerial Council declared: "The OECD will continue to work with developing countries and countries in transition to help them identify and meet key human and governance capacity needs (...). OECD Global Forums and regional dialogue can support developing countries' efforts to build good governance and market-supportive institutions conducive to mobilising domestic resources and attracting investment capital."

Previous fora have addressed issues such as the management of control agencies, transparency in the public sector and the contribution of media corporations to governance. Other responses include regional outreach activities, such as the Governance Outreach Initiative for Latin America, developed to support the implementation of the mutually reinforcing OAS and OECD Conventions.

Mexico and the OECD

Mexico became the 25th Member of the OECD in May 1994. Since then, it has participated actively in every committee and working group. The OECD membership has allowed Mexico to benefit from the experiences of other countries, and to promote its economy and business opportunities among the other members. Furthermore, Mexico has served as an effective link between the Member countries and other Latin American countries.

Mexico and the Fight against Corruption

Mexico has changed in many aspects in the last ten years. Its economy today is linked to almost any region of the world. Mexico has become one of the most important recipients of Foreign Direct Investment and it has been transformed into a more democratic country. One of the core issues for the present government is to tackle every type of corruption. The government has a compromise towards the society in general to promote a culture of transparency and to transform public management into one of the most professional and transparent in the world.

The Mexican Congress ratified Mexico's adherence to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions in May 1999. One Mexico's most important interests regarding the Convention, is that it will level competition conditions for domestic and foreign companies by establishing clear rules in the operation of the international goods and services market. Since the ratification, Mexico has followed every step in order to comply with the provisions established in the Convention.

Mexico has already gone through the first evaluation phase and it will go through the Phase II examination (implementation of the legislation) before the end of 2005.

One of the many points that will be taken into consideration for that evaluation, is the degree of awareness of the Convention. Communicating the implications of this instrument to companies and helping them adopt compliance programs is a crucial aspect of what Mexico, as the other signatory countries, must do to comply with the Convention.

2. THE CONFERENCE

Objectives

The Mexico conference has three objectives:

- Provide information on the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and other OECD instruments to the business community, accountants, lawyers and public servants.
- Encourage companies to adopt compliance programmes and mechanisms.
- Encourage complementary reform trends on public procurement systems and accounting standards in the region, in a corruption prevention perspective.

Contents

The conference will be organized in 4 working sessions, with introductory and concluding sessions. Session 2 will present the OECD Convention. A long period of time will be allocated for discussion, to allow private sector representatives to address questions and suggestions to the OECD and the

Mexican government on the Convention, its consequences and its implementation mechanism. Sessions 3, 4 and 5, on companies compliance programs, public procurement, and accounting standards respectively, will combine case studies, policy recommendations and analysis and periods of discussions. Particular attention will be given to the implementation dynamics of reforms in these three policy areas.

Targeted audience

- Representatives of domestic and foreign companies, lawyers and accountants
- Public servants
- Representatives of the signatory countries
- General Public

Additional Information, registration and Internet transmission

www.secodam.gob.mx/ocde

Dates and venue

19 and 20 September, 2002

Auditorium of the Ministry of Foreign Affairs
Ricardo Flores Magón 1
Tlatelolco
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3. AGENDA [Tentative]

Thursday, Sept 19	
9:00-9:30	Registration
9:30-10:10	Session 1: Introduction
	<ul style="list-style-type: none"> - Miguel Hakim, Undersecretary for Economic Relations and International Cooperation, Ministry of Foreign Affairs. - Francisco Barrio, Secretary of the Comptrollership and Administrative Development - Rainer Geiger, Deputy Director, Directorate for Financial, Fiscal, and Enterprise Affairs (DAFFE), OECD - Alejandro Ramos Flores, Deputy General Attorney for International Affairs, PGR.
10:10-14:00	Session 2: The OECD Convention Against Corruption
	This session will give detailed information on the OECD Convention and on the Recommendation against Bribery of Foreign Public Officials in International Transactions: objectives and scope of these instruments, as well as the results achieved so far. Mexico will present what measures have been taken to implement these international instruments. Practical issues such as what to do with bribe allegations, how to deal with subsidiaries or joint-ventures will be addressed.
10:10-10:20	CHAIR: Alexis Rovzar, Director General, White and Case Mexico
10:20-10:40	- <i>What is the OECD Convention? What consequences for businesses?</i> Enery Quinones, Head, DAFFE Anti-Corruption Division, OECD.
10:40-11:00	- <i>What has Mexico done to implement the OECD Convention?</i> Ambassador Miguel Ángel González Félix, Attorney General Office (PGR)
11:00-11:30	- Questions and comments
11:30-12:00	Coffee break

12:00- 12:25	- <i>The Convention in practice: Prosecution of Foreign Bribery Cases</i> Philip Urofsky, Special Counsel for International Litigation, United States Department of Justice.
12:25-12:50	- <i>The Convention in practice: the case of General Electric</i> Ralph González, General Electric, Legal Counsel Latin America.
12:50-13:15	- <i>Internal Corporate Investigations</i> Brad Brian, expert on corporate anti-corruption strategies, Munger Tolles and Olson, Los Angeles.
13:15- 14:00	- Questions and comments
14:00-15:30	Recess
15:30-18:00	Session 3: Developing Company Compliance Programs
	This session will stress the importance of compliance programs in companies. The presentations will give clear examples on how companies have managed to create and implement such programs in order to avoid and detect misconduct.

15:30-15:40	CHAIR: Humberto Bañuelos, President, Mexican Securities Industry Association (AMIB)
15:40- 16:05	- <i>Key elements for a compliance program: lessons learned from international best practices.</i> Andres Antonius, Managing Director for Latin America, Kroll.
16:05-16:30	- <i>Beyond compliance, creating an ethical business environment.</i> Tim Cullen, Chief Executive, TCA International Policy Management, Oxford, United Kingdom.
16:30-16:55	- <i>Internal managerial control: the need for an international framework, continuing self-evaluation and reporting.</i> Jim Wesberry, Director, Atlatl Project Mexico, United States Agency for International Development (USAID)
16:55- 17:20	- <i>How to use the resources of the Latin American culture to put integrity values into practice?</i> Carlos Manfroni, President, Public Ethics Foundation, Argentina.
17:20- 18:00	- Questions and comments

Friday, September 20	
9:30-14:00	Session 4: How to Improve Accounting Standards and Corporate Practices to Increase Transparency in Business Operations?
	Failures in the accounting standards of companies have caused great damages to the global economy. This session will give detailed information on the different international trends on accounting standards and corporate practices to increase transparency in business operations.

9:30- 9:40	CHAIR: Fernando Morales Gutiérrez, Legislation Vice-president, Mexican Institute of Public Accountants.
9:40- 10:10	- <i>World trends in accounting and corporate standards.</i> Florencio López de Silanés, Director, International Institute of Corporate Governance, Yale School of Management
10:10- 10:40	- <i>The Recent US Experience in strengthening accounting and audit standards.</i> Robert D. Strahota, Assistant Director, International Affairs Office, Securities Exchange Commission (SEC).
10:40-11:10	- <i>The European experience in moving towards International Accounting Standards.</i> Erik van der Plaats, Senior Policy Adviser on Financial Reporting and Audit, European Commission.
11:10- 11:50	- Questions and comments.
11:50- 12:20	Coffee Break
12:20- 12:50	- <i>Improving accounting standards in Mexico.</i> Guillermo Zamarripa, Vice-President of Financial Institutions Supervision, Comisión Nacional Bancaria y de Valores (CNBV).
12:50- 13:20	- <i>Building Public Trust</i> Ellen H. Masterson, Partner, PricewaterhouseCoopers.
13:20-14:00	- Questions and comments.
14:00-16:00	Recess
1600-18:00	Session 5: How to reform public procurement systems to reduce corruption opportunities?
	By gathering international experts on public procurement, this session will focus on the problems encountered in the implementation of reforms on public procurement systems, especially in Mexico and other countries in the American Continent.

16:00-16:10	CHAIR: Magistrate Julio Cesar Vazquez-Mellado, General Director of the ICJF
16:10-16:30	- <i>Reforms to the Procurement and Public Works Laws.</i> Guillermo Haro, Head of the Acquisitions Standards, Public Works, Services and Government Assets Unit, Ministry of the Comptrollership and Administrative Development, Mexico.
16:30- 16:50	- <i>Enforcement of public procurement regulations: the experience of OECD countries.</i> Michel Desmarais, Director of the Forensic Accounting Management Directorate, Public Works and Government Services, Canada.
16:50- 17:10	- <i>How to overcome the challenges of implementing reform?</i> Bernard Becq, Regional Procurement Adviser, Latin America and the Caribbean Region, World Bank
17:10- 17:30	- <i>Lessons learned from the experience of Latin American countries.</i> Jaime Sánchez, Adviser on acquisitions, Integrated Financial Administration Program, Dominican Republic.
17:30- 18:00	- Questions and comments
18:00-18:40	Session 6: Conclusions
	- Ambassador Andrés Rozental, President, Mexican Council of International Affairs - Rainer Geiger, Deputy Director, Directorate for Financial, Fiscal and Enterprise Affairs, OECD. - Javier Gavito, Director General, Banco del Ahorro Nacional y Servicios Financieros.
18:40- 20:00	Cocktail