

The OECD Anti-Bribery Convention: How it Works?

(Last update: 6 February 2006)

The 1997 Anti-Bribery Convention captured worldwide attention as the first global instrument to fight corruption in cross-border business deals. Since its ratification by all 30 OECD members and six non-members, it has made significant headway in the fight against corruption.

In comparison with other multilateral anti-bribery instruments, the OECD Convention specifically targets the supply side of foreign bribery. Today, in the 36 countries that have enacted anti-bribery laws based on the OECD Convention, bribing a foreign public official is a crime. In other words, a bribe by one of their multinationals to a public official in a developing country for a public works contract is a punishable offence.

The Anti-Bribery Convention goes beyond ensuring that Parties outlaw foreign bribery. It ensures effective enforcement through systematic monitoring. The OECD mandated the Working Group on Bribery in 1997 to follow up on countries' efforts to implement the Convention's standards. Composed of government experts from participating countries, it meets five times a year at the Paris Headquarters of the OECD to monitor Parties' compliance with the Convention. The monitoring process, which is based on a rigorous system of peer review, is divided into two examination phases. Phase 1 involves a comprehensive assessment of the conformity of the country's anti-bribery laws with the OECD Convention. Phase 2 involves one week of intensive meetings in the examined country with key actors from government, business, trade unions and civil society to assess how effective that country's anti-foreign bribery laws are in practice. The on-site examination team is led by representatives of two member countries of the Working Group. Phase 1 is all complete. In January 2006, twenty-one countries, including the G7, have completed Phase 2 with the remainder to be completed by 2007.

Both the Phase 1 and Phase 2 examinations culminate with reports of the Working Group's findings and recommendations for action to be taken by the examined country to improve compliance with the Convention. The Phase 1 and Phase 2 reports are made publicly available on the OECD's Internet site (www.oecd.org/bribery).

The Recommendations of the Working Group on Bribery as well as the country reports are a powerful impetus for change. Several countries have amended their legislation following the Recommendations of the Working Group. By promoting high standards, the Convention has contributed to leveling the competitive playing field for companies doing trans-border business. This is one of the most important aims and achievements of the OECD Anti-Bribery Convention.

As more countries become Parties to the Convention and as OECD outreach activities in the regions of Asia Pacific, Central, Eastern and Southern Europe, the Caucasus and Central Asia, the Middle East and North Africa and Latin America help raise international norms, the reach of the Convention has become truly global. Just as the Anti-Bribery Convention laid the foundation for the global fight against foreign bribery, it provides the framework for a united stand against corruption by the international community. Through the unfailing commitment of its Parties, governments around the globe are taking significant steps to close the floodgates on corruption.

Fact Sheet

OECD Anti-Bribery Instruments:

- 1997 Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;
- 1997 Revised Recommendation of the Council on Combating Bribery in International Business Transactions;
- 1996 Recommendation of the Council on the Tax Deductibility of Bribes to Foreign Public Officials;
- OECD Guidelines for Multinational Enterprises;
- 2003 Action Statement on Bribery and Officially Supported Export Credits.

Entry into force of Anti-Bribery Convention: 15 February 1999.

Number of signatory countries: 36.

Most recent Party to the Convention: Estonia.

Most recent Full Participant to the Working Group on Bribery: Estonia (2004).

Six non-OECD Members are Parties to the Convention: Argentina, Brazil, Bulgaria, Chile, Estonia and Slovenia.

Distinguishing feature: The Anti-Bribery Convention deals with foreign bribery, i.e., it sanctions the natural or legal person that bribes a foreign public official in the context of international business transactions.

Notable fact: All G7 countries completed their Phase 2 review at the beginning of 2005. The G7 countries represent more than 50% of OECD foreign direct investment and account for 68% of OECD exports.

Country scheduled for Phase 2 examinations in March 2006: Spain.

Most recent event sponsored by the OECD on the topic of corruption: *Specialised Training for Prosecutors on Anti-Corruption*, took place in Buenos Aires on 5-6 December 2005.

Where to find country reports and information about OECD anti-corruption activities:
www.oecd.org/bribery.

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