

TRANSPARENCY INTERNATIONAL (UK)

the coalition against corruption



15 March 2007

Reform of UK Corruption Law

Statement by Transparency International (UK)

On 5 March 2007, the Government published its response to a consultation on corruption/bribery law reform it had initiated in December 2005. The Government acknowledges that there is broad support for reform, and that there is significant and influential opposition to its 2003 Corruption Bill. The Government says, however, that because there is fundamental disagreement on which of a number of approaches should be adopted, it has asked the Law Commission to undertake a review of corruption law and produce a new draft Bill for consideration.

TI(UK) welcomed the Government's acceptance of the need for comprehensive reform of UK corruption law when first announced by the Home Secretary in June 2000. TI(UK) also welcomes the discarding of the seriously flawed 2003 Bill. The failure to translate the 2000 announcement into legislation is inexcusable; and the decision now to refer the issue back to the Law Commission, which did a thorough review a decade ago, is incomprehensible. The Attorney General's announcement of the decision of the Serious Fraud Office to discontinue the criminal investigation of BAe Systems' role in the Al Yamamah programme has disclosed that the United Kingdom's failure to implement the 1997 OECD Anti-Bribery Convention is a continuing open breach of its international obligation to prosecute bribery of foreign public officials. At its meeting this week, the OECD Working Group on Bribery has underlined its serious concerns about continuing deficiencies in the UK's present laws, and decided to conduct a special and urgent review focused on progress in enacting a new bribery law.

The Government could easily resolve this, and thereby make the UK compliant with the Convention, by adopting or adapting the Corruption Bill which will be the subject of a Second Reading in the House of Lords on 16 March 2007 (see attached Background Note; the text of the Bill can be accessed at www.transparency.org.uk). The Bill was introduced in the House of Lords by Lord Chidgey in November 2006, having been introduced in the House of Commons in May 2006 by Hugh Bayley MP under the 10-minute Rule. TI(UK), which is not primarily concerned with the drafting of parliamentary bills, commissioned the professional drafting of this Bill in response to frustration among parliamentarians across the spectrum at the Government's failure to produce a Bill 'fit for purpose'.

The Corruption Bill aims to reform the law of bribery in a way that will be understood by police, prosecutors, jurors, the private sector and the general public. It defines bribery by reference to the improper conduct that results from a bribe and includes a number of modern features of anti-corruption law, including explicit offences of bribing foreign public officials; of foreign bid-rigging; and of fixing sporting events. It includes a requirement for UK companies to take steps to ensure that their foreign subsidiary and associated companies do not commit corruption offences; and a duty to report suspicions of corrupt behaviour in the public sector.

Contacts

Jeremy Carver – Board Member
07785 350221 Jeremy.carver@cliffordchance.com

Graham Rodmell – Director, Corporate and Regulatory Affairs
07768 961939 graham.rodmed@transparency.org.uk

Registered Office: **3rd Floor, Downstream Building, 1 London Bridge, London SE1 9BG, United Kingdom**

Tel: 020 7785 6356 Fax: 020 7785 6355 info@transparency.org.uk www.transparency.org.uk

Executive Director Chandrashekhar Krishnan **Director Corporate & Regulatory Affairs** Graham Rodmell

Treasurer Ian Trumper **Company Secretary** Jan Lanigan

Board Members

Laurence Cockcroft *Chairman* Jeremy Carver, CBE John Drysdale Neil Holt Lady Moody-Stuart
Anne Moore-Williams Monty Raphael Ian Trumper Kate Wilson Karl Ziegler