

# BRIBER BEWARE

**With Canadian criminal law and the international community tightening the reins on corruption, businesses around the world can expect more fair play in global business in the future. That's good news for Canadian exporters.**

Canada and its international counterparts in the [Organisation for Economic Co-operation and Development \(OECD\)](#) collaborated on the [OECD Anti-Bribery Convention](#), which was ratified by Canada in 1998. As part of their commitment to the convention, OECD member countries have strengthened their anti-bribery legislation, helping level the playing field for international business.

In Canada, bribing foreign public officials in order to obtain or retain a business advantage is a criminal offence. It's punishable up to 14 years in prison and/or fines. Bribery in the private sector is also a criminal offence.

Through the OECD, export credit agencies, like Export Development Canada (EDC), also committed to taking stronger action to deter and detect bribery in the transactions they're asked to support. Export credit agencies, including EDC, have agreed to:

1. Require anti-bribery declarations from customers;
2. Undertake enhanced due diligence when there's reason to believe that there's an increased risk of bribery;
3. Inform law enforcement authorities where there's credible evidence of bribery in a transaction;
4. Refuse to provide support if bribery is involved in a transaction or anti-bribery declarations aren't provided;
5. Take appropriate action such as deny a claim or require refund of sums provided in cases where bribery has been proven after support was extended; and
6. Commit to informing their customers of the legal consequences of bribery and encouraging them to develop management control systems to combat it.

With similar tough new measures in many parts of the world, the idea that it may be acceptable to pay off local public authorities in some countries to win business is quickly being discredited. Overall, the global attitude towards bribery has moved from acceptance and tolerance to abhorrence and prohibition.

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## Six questions to help you avoid bribery in international transactions.

### 1. Does your company have an anti-corruption policy?

Developing an anti-corruption policy would assist in minimizing the risk of corruption.

### 2. Have you informed all relevant parties about your anti-corruption policy?

It's important to develop an anti-corruption policy, but it's also key to educate and train your employees and agents about your policy and the appropriate actions to take if they encounter requests for bribes, particularly in jurisdictions with a high corruption risk. You should require agents and employees to acknowledge this policy in writing and refer troublesome situations to your head office for direction.

### 3. How well do you know your agent, partner or customers?

Verify credentials of your agents and partners and monitor their efforts on your behalf. Consider contacting local business associations and consulting your local counsel to verify the reputation of your agents, partners and customers.

### 4. Does the jurisdiction in which you operate present a high corruption risk?

Consider consulting Transparency International's [Corruption Perceptions Index](#), a well-known indicator of corruption perceptions around the world, and the Canadian Embassy in the relevant country.

### 5. Do the amounts paid make sense?

Look for any unexplained payments that don't add up. They may be indications of irregularity.

### 6. Have you clearly said no?

Failure to say no to bribery clearly and definitively to your agents, customers and partners could lead to a misunderstanding that your company might consider providing loans, rewards, or benefits to a foreign official or otherwise to obtain a business advantage. Develop an anti-corruption policy and make sure relevant parties are all aware of your zero-tolerance position on bribery.

## For more information:

[edc.ca/en/campaign/anti-corruption.html](http://edc.ca/en/campaign/anti-corruption.html)