TRANSPARENCY INTERNATIONAL
the global coalition against corruption

EXPORTING CORRUPTION

Progress Report 2015: Assessing Enforcement of the OECD Convention on Combatting Foreign Bribery

Transparency International is a global movement with one vision: a world in which government, business, civil society and the daily lives of people are free of corruption. Through more than 100 chapters worldwide and an international secretariat in Berlin, we are leading the fight against corruption to turn this vision into reality.

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ISBN: 978-3-943497-85-4

Printed on 100% recycled paper.
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About half of the Convention countries have failed to prosecute any foreign bribery case since 1999.

20 Countries with little or no enforcement

9 Countries with only limited enforcement

Enforcement levels

Countries listed in order of their share of world exports

Active Enforcement
4 countries with 22.8% of world exports

US, Germany, UK, Switzerland

Moderate Enforcement
6 countries with 8.9% of world exports

Italy, Canada, Australia, Austria, Norway, Finland

Limited Enforcement
9 countries with 12.6% of world exports

France, Netherlands, South Korea, Sweden, Hungary, South Africa, Portugal, Greece, New Zealand

Little or No Enforcement
20 countries with 20.5% of world exports

Japan, Russia, Spain, Belgium, Mexico, Brazil, Ireland, Poland, Turkey, Denmark, Czech Republic, Luxembourg, Argentina, Chile, Israel, Slovak Republic, Colombia, Slovenia, Bulgaria, Estonia

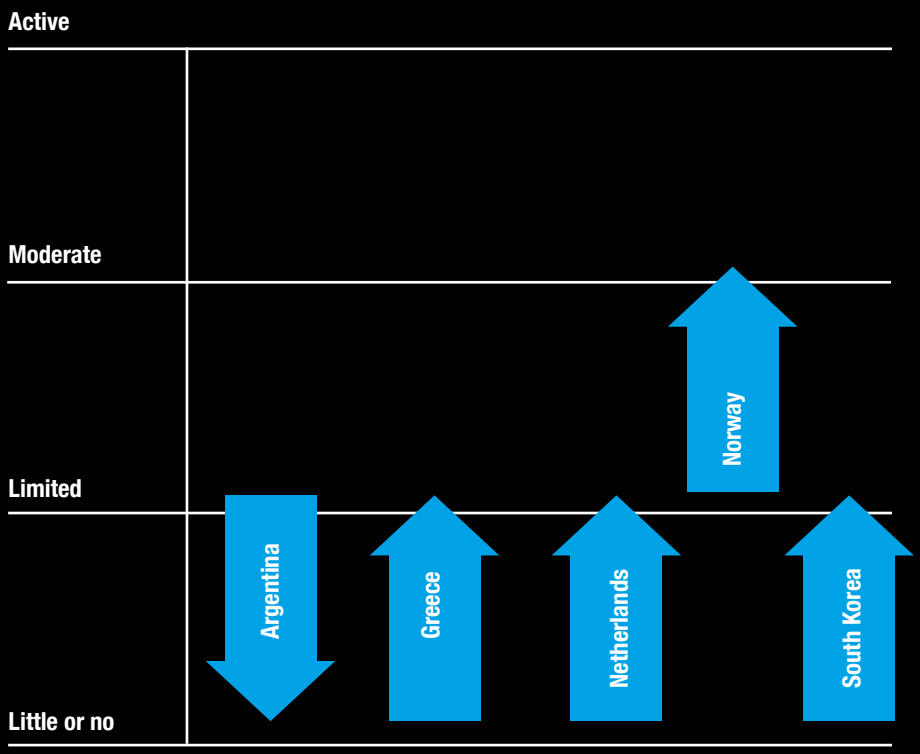
Latvia and Iceland could not be classified as their very low shares in world exports, and Latvia's short time since it joined the Convention, do not permit distinctions between the enforcement categories.

KEY FINDINGS

Changes in enforcement level 2014-2015

4 **Countries have improved:**
Norway
Greece
Netherlands
South Korea

1 **Country has regressed:**
Argentina



Countries not shown in this chart have the same level of enforcement as reported last year.

Classifications

The enforcement categories (Active, Moderate, Limited, Little or No) show the level of enforcement efforts against foreign bribery. A country that is an Active enforcer initiates many investigations into foreign bribery offences, these investigations reach the courts, the authorities press charges and courts convict individuals and/or companies both in ordinary cases and in major cases in which bribers are convicted and receive substantial sanctions.

"Moderate Enforcement" and "Limited Enforcement" indicate stages of progress, but are considered insufficient deterrence. Where there is "Little or No Enforcement", there is no deterrence. More details on the methodology can be found in chapter III.

I. INTRODUCTION

Transparency International's 2015 Progress Report is an independent assessment of the enforcement of the Organisation for Economic Co-operation and Development's (OECD's) Anti-Bribery Convention. The Convention is a key instrument for curbing global corruption because the 41 signatory countries are responsible for approximately two-thirds of world exports and almost 90 per cent of total foreign direct investment outflows. This is the 11th annual report. It has been prepared by Transparency International's International Secretariat working with our national chapters and experts in the 41 OECD Convention countries.

This Report shows that there is Active Enforcement in four countries, Moderate Enforcement in six countries, Limited Enforcement in nine countries, and Little or No Enforcement in 20 countries. (Two countries were not classified.) This represents a modest improvement compared with the 2014 Report, with **Norway** moving to Moderate Enforcement from Limited Enforcement; **Greece**, **Netherlands** and **South Korea** moving to Limited Enforcement from Little or No Enforcement. **Argentina** has fallen to Little or No Enforcement from Limited Enforcement. (The four enforcement categories are explained in the Methodology section below.) The Convention's fundamental goal of creating a corruption-free level playing field for global trade is still far from being achieved because of the uneven level of enforcement.

It is essential to recognise that cross-border bribery has enormous negative consequences for the populations of affected countries. Developed countries have both a self-interest and an obligation to devote the necessary resources to tackling the problem. Top priority should be directed to cases of grand corruption involving politicians and senior politicians. Not only is the largest damage done by grand corruption involving major contracts and permits. Failure to prevent grand corruption has the most corrosive political and societal consequences.

Combating corruption is a dynamic, ever-changing struggle. Corrupt practices are becoming steadily more sophisticated. Laws and corporate compliance programmes are continuing to evolve. In response there is a growing demand for compliance services.

International developments related to anti-foreign bribery enforcement

There were some promising developments in 2014.

The G20 adopted its Anti-Corruption Action Plan for 2015–16, which reaffirms its commitment "to lead by example in combating bribery, including by active participation with the OECD Working Group on Bribery with a view to exploring possible adherence to the OECD Anti-bribery Convention". Sixteen of the G20 countries are parties to the Convention. The G20 also calls for the criminalisation of the solicitation of bribes. A similar recommendation was included in the OECD Working Group's 2009 Recommendations.

The revised Government Procurement Agreement of the World Trade Organization (WTO) also entered into force in 2014. The revised agre ement includes important anti-corruption provisions, including provisions setting out the legal basis for the debarment of any supplier that has committed serious offences (such as engaging in foreign bribery). Most of the OECD Anti-Bribery Convention countries have already ratified the WTO Procurement Agreement.

Two significant monitoring reports were published in 2014, which complemented the country reports of the OECD Working Group on Bribery. One of these was the OECD Foreign Bribery Report, a very important analysis of more than 400 foreign bribery cases. These cases were brought in only 17 of the 41 countries, which is consistent with our findings that enforcement is highly uneven. We hope that publish a new Foreign Bribery Report in 2017. The other report published this year was the European Commission's comprehensive Anti-Corruption Report, which covered the topic of foreign bribery in those countries that are parties to the OECD Anti-Bribery Convention.

Continuation of OECD monitoring programme

It is essential that the Working Group on Bribery continues to carry out a rigorous programme of follow-up monitoring. For this reason Transparency International welcomes the adoption of the Phase 4 monitoring programme at the Working Group's June 2015 meeting. The principal focus should be on reviewing compliance with recommendations from prior reviews and on improving enforcement in countries with Little or No Enforcement and with Limited Enforcement.

The Working Group's country reports have been of a very high quality. Public communications programmes should be expanded, to bring the findings and recommendations of the reports to the attention of more diverse groups that are interested in overcoming corruption. Translation into the language of the country reviewed is particularly important. It would also be useful to prepare summaries that are more complete than the current one-page executive summaries, but that are still accessible to a wider public than the full text.

The OECD should also undertake horizontal assessments in all Convention countries, looking at a number of areas, as follows:

- The complexity of arranging mutual legal assistance is a serious obstacle. The OECD Working Group should help by organising meetings to share experiences of countries that are successful in such cooperation. The availability of mutual legal assistance is crucial for countries that have taken action to improve their investigative ability and their ability to prosecute.
- The collection of national criminal statistics should be improved, and data and case information made public, to enable better comparison of the countries' enforcement efforts.
- It is widely recognised that risks of foreign bribery are high in the following sectors: extractive industries, construction and aerospace/defence. The OECD Working Group should hold meetings with organisations that specialise in these areas, such as the Extractive Industries Transparency Initiative (EITI) and the Construction Sector Transparency Initiative (CoST). This should assist governments in identifying corruption patterns and improving enforcement.

We commend the Working Group on Bribery for encouraging the participation of civil society and the private sector in monitoring the implementation of the Convention. This work can be enhanced by announcement of the agenda for meetings, publication of the minutes and other documents of the meetings, and a more user-friendly website.

Consequences of continued failure to implement the convention

About half of the Convention countries have failed to prosecute any foreign bribery case since they joined the Convention. The inaction of these countries violates their obligations under the Convention. We understand that the March 2016 OECD Ministerial Meeting will consider the effective implementation of the Convention. We will make proposals on what steps should be taken to address this problem.

II. FINDINGS AND RECOMMENDATIONS

STATUS OF ENFORCEMENT

Since the 2014 report five countries have moved to different bands. **Norway** has improved to Moderate Enforcement from Limited Enforcement. **Greece, Netherlands** and **South Korea** have improved from Little or No Enforcement to Limited Enforcement. **Argentina** has fallen from Limited Enforcement to Little or No Enforcement.

Based on reports by Transparency International experts, we have arrived at the following classification of foreign bribery enforcement in OECD Anti-Bribery Convention countries (listed in order of their share of world exports):

Active Enforcement: Four countries with 22.8 per cent of world exports – **the United States, Germany**, **the United Kingdom** and **Switzerland**.

Moderate Enforcement: Six countries with 8.9 per cent of world exports – **Italy, Canada, Australia, Austria, Norway** and **Finland**.

Limited Enforcement: Nine countries with 12.6 per cent of world exports: **France, Netherlands, South Korea, Sweden, Hungary, South Africa, Portugal, Greece** and **New Zealand**.

Little or No Enforcement: Twenty countries with 20.5 per cent of world exports**: Japan, Russia, Spain, Belgium, Mexico, Brazil, Ireland, Poland, Turkey, Denmark, Czech Republic, Luxembourg, Argentina, Chile, Israel, Slovak Republic, Colombia, Slovenia, Bulgaria** and **Estonia.**

Iceland *could not be classified as its share in world exports is too small to permit distinctions to be made between enforcement categories. The same applies to* ***Latvia*** *because of its small share in world exports and the short time since it joined the Convention.*

All country reports are available online at www.transparency.org/exporting_corruption.

Adequacy of resources and anti-corruption plans

There continue to be serious concerns regarding the adequacy of resources for investigations and enforcement of measures against foreign bribery.

In 2014 and early 2015 several countries prepared national anti-corruption plans or strategies that foresee actions against foreign bribery (**Finland**, **Russia** and the **United Kingdom**). However, this does not necessarily mean that more resources will be provided for enforcement of measures against foreign bribery. For example, the United Kingdom Serious Fraud Office's budget remains a significant concern as it continues to be underfunded and approval of supplementary funding needed for its functioning gives the UK government, effectively, a power of veto regarding which cases the Office can take on, compromising its independence.

In **Belgium**, in January 2015, the Antwerp Court of Appeal had to temporarily close one of its chambers due to lack of personnel. Shortage of resources in courts is general in much of the country, while the Central Office for the Repression of Corruption remains seriously under-resourced, lacking personnel and the technical tools to investigate cases. The prosecution service is also working with too few prosecutors. It is too early to say to what extent the Belgian Government's announced 'Plan Justice' will be able to remedy this situation.

Hungary, Ireland, Japan, **Portugal, the Slovak Republic** and **South Africa** are examples where both financial resources and specialised training on foreign bribery for investigators is needed. The specialised law enforcement bodies of **Greece, Luxembourg, Mexico, New Zealand, Norway, Poland** and **Spain** also need more financial resources. The investigation and prosecution authorities in **South Korea** do not receive adequate resources, which means that it is difficult for them to maintain dedicated staff. Latvia has also experienced problems in retaining specialised and high level staff at the central anti-corruption law agency. In the **Netherlands** there have been government promises to increase the resources of Dutch anti-corruption bodies, and to improve the Dutch investigative and prosecutorial capacities (for example, through proactive cooperation efforts in multi-jurisdictional cases), but these promises have yet to be fulfilled.

Sweden and **Austria** had seen some positive developments. In Sweden the anti-corruption prosecution agency has been well resourced for quite some time and since the beginning of 2012 the resource problem as regards the police seems to have been resolved. In early 2015 Austria increased recruitment of staff at the White Collar Crime and Corruption Prosecutor’s Office (WKStA), though still not reaching an adequate number of employees.

We recommend that the Working Group on Bribery monitor whether governments provide additional resources in the above-mentioned countries.

Adequacy of sanctions

The OECD Foreign Bribery Report, published in December 2014, indicates that in 17 countries significant sanctions were imposed; however, in the other OECD Convention countries there were no such cases.

In **Chile and Japan** sanctions for foreign bribery offences are inadequate, in **France** the application of sanctions is too lenient. In **Russia** changes to the criminal code reduced the size of penalties for receiving or giving bribes, including those relating to foreign officials, and increased the maximum time available to pay such fines in instalments. This shows a move in a direction contrary to that being taken by other Convention countries. In seven other countries (**Austria, Greece, Portugal, South Africa, South Korea, Switzerland and Sweden**) the fines for legal entities committing foreign bribery are too low.

Criminal liability of legal entities is not appropriately covered by the criminal laws of **Estonia**, **Latvia**, **Mexico** and **Poland** and **Turkey.** At the same time, the parliaments of **Brazil**, **Bulgaria**, **Colombia** and **Argentina** are debating bills addressing the same issue, and in the **Slovak Republic** the relevant law enters into force in July 2015.

Because adequate sanctions are crucial for the success of the Convention, therefore Convention parties should take action to ensure that their enforcement efforts result in effective, proportionate and dissuasive sanctions.

Settlements

A widespread practice has developed in the **United States**, and in other countries, whereby foreign bribery cases are resolved through negotiated settlements. This reflects the recognition by prosecutors and defendants that litigation is complicated, costly and will take years to reach a final decision. Concerns have been expressed by public interest groups about whether settlements serve the public interest. To overcome such concerns, settlements should be subject to judicial approval, the terms of any settlement should be made public, and the penalties applied should be effective, proportionate and dissuasive.

Several countries have considered various forms of settlement. The **United States** has a practice of reaching non-prosecution agreements and deferred prosecution agreements in addition to other forms of resolutions; however, questions have been raised regarding their deterrent effect. The **United Kingdom** has introduced the possibility of deferred prosecution agreements. There has also been consideration of plea bargain rules in **France** and **Japan**. **Italy** has recently made a change in this area, specifically requiring that settlement/plea bargains can only be considered "once the charged person has repaid the proceeds of the offence". **Denmark**, **Germany**, the **Netherlands** and **Switzerland** use various forms of settlements, but the actual procedures and terms are not transparent, which poses risks of these processes being abused, undermining public trust.

> We recommend that the Working Group on Bribery undertake a review of settlement practices in foreign bribery cases. The Working Group should ensure that settlement agreements receive judicial approval, that their terms are transparent, and that penalties are effective, proportionate and dissuasive (as provided by Article 5.1 of the Convention).

Political influence

Although the Convention clearly stipulates in Article 5 that investigation and prosecution of the bribery of a foreign public official "shall not be influenced by considerations of national economic interest, [or] the potential effect upon relations with another State", there are several examples of cases where the laws and practices of countries disregard this essential provision.

In **Hungary** the de facto independence of the prosecution from political interference is not provided for, and in the **Czech Republic** and in **Portugal** there are serious concerns about prosecutorial independence. Also, in **France** concerns about the independence of prosecutors from the Ministry of Justice are still an issue. In **Poland** and in **South Africa** the safeguards designed to protect the Central Anti-corruption Bureau from politicisation are insufficient. The lack independence of the **Slovak** judiciary has raised serious concerns, and in **Turkey** the risks that political interference may have an impact on foreign bribery investigations and prosecutions are even more acute. In **Argentina** there are concerns that federal judges use political criteria when conducting their inquiries. In the **United Kingdom** there is an ongoing investigation related to a new arms contract with Saudi Arabia. Concerns have been expressed that prohibitions in Article 5 will be ignored, which is particularly troublesome considering the termination of the Al-Yamamah investigation almost 10 years ago. The Ministry of Economic Trade and Industry is the main government body in charge of the implementation of the Convention in **Japan**. The Working Group has repeatedly expressed grave concerns about this arrangement, but the obvious tension between the roles of the Ministry remains. **Austria** has seen a positive development in this field: here, the Ministry of Justice's authority over judicial administration has been reduced and the more relevant decisions have been made accessible to the public.

Full compliance with the provisions of Article 5 is essential for the success of the Convention and we recommend urgent remedy of the above concerns.

Protection of whistleblowers

Because bribery is usually conducted in secrecy whistleblowers can play a central role in uncovering corruption. Therefore, whistleblowers must be protected from retaliation where they report suspected incidents of foreign bribery in good faith.

In the majority of OECD Convention countries the regulation and implementation of the protection of whistleblowers has significant inadequacies. There are weaknesses in the relevant legal frameworks of **Argentina**, **Australia** (in the private sector), **Bulgaria**, **Chile**, **Colombia**, the **Czech Republic**, **Denmark** (in the private sector), **Estonia** (in the private sector), **Finland**, **Germany**, **Greece**, **Italy**, **South Korea** (in the private sector), **Latvia**, **Luxembourg**, **Norway**, **Poland**, **Portugal** (in the public sector), **Spain** and **Sweden.**

In **Brazil**, **Iceland**, **Italy**, the **Netherlands**, **Russia**, **South Africa** and **Switzerland** relevant bills are pending in the Parliament. In **Mexico**, in the **Slovak Republic** and in **Hungary** new whistleblower protection laws have been adopted, though the Hungarian law has serious shortcomings. In **Israel**, **Japan**, **New Zealand**, **Slovenia** and in **South Africa** whistleblower protection laws are present but there has been a low level of whistleblowing so far.

The OECD Working Group on Bribery adopted its Recommendation on Reporting Foreign Bribery in 2009; six years should have been sufficient for developing effective laws and practices in this area. We recommend that high priority be given to correcting the deficiencies in the countries mentioned above.

Collection and access to enforcement information

The availability of information concerning investigations, court cases, judgements and settlements continues to be a challenge in numerous countries. This is disappointing in view of the ever increasing public interest in the enforcement of prohibitions against bribery.

In the **United States** information from authorities on investigations and on case referrals from and to other countries are not completely available. This is puzzling given that companies that are required to file reports with the United States Securities and Exchange Commission that disclose the existence of a foreign bribery-related law enforcement investigation. In **Canada** more background information with respect to investigations should be disclosed. In the **United Kingdom** details of settlements and advice given by the Serious Fraud Office to companies are not accessible. **Italy** lacks an open and easily accessible central database of investigations and cases, meaning that information about foreign bribery-related investigations and cases in over 100 courts are not accessible by the public. Similarly, **Switzerland** is in need of a centralised collection of all relevant statistical data as cantonal level enforcement information remains inaccessible. **German** authorities maintain details of investigations, charges pressed in courts, judgements rendered and other terminations of proceedings, but they anonymise case information and never disclose the names of the defendants nor of the countries involved. This practice is implicitly confirmed by a Federal Administrative Court decision based on the principles of privacy and data protection, notwithstanding the fact that cases are tried in open court and judgements are pronounced in public. In **Belgium**, **Greece** and **Russia** even a basic level of statistical data collection concerning anti-foreign bribery

enforcement is missing and there is no sign of improvement in this field. Also in **Argentina**, **Brazil, Bulgaria, Colombia, France, Ireland, Japan, Mexico**, **Portugal, Slovenia, South Korea** and **Spain** the systematic collection and publication of enforcement data has serious shortcomings.

The Working Group on Bribery review in Phase 4 should make sure that availability of, and access to, enforcement information is improved.

ON CLASSIFICATIONS

The enforcement categories (Active, Moderate, Limited, Little or No) show the level of enforcement efforts against foreign bribery. A country that is an **Active enforcer** initiates many investigation into foreign bribery offences, these investigations reach the courts, the authorities press charges and courts convict individuals and/or companies both in ordinary cases and in major cases in which bribers are convicted and receive substantial sanctions.

"Moderate Enforcement" and **"Limited Enforcement"** indicate stages of progress, but are considered insufficient deterrence. Where there is **"Little or No Enforcement"**, there is no deterrence.

More details on the methodology can be found in Chapter III.

	Share of world exports*	Investigations commenced (weight of 1)				Major cases commenced (weight of 4)				Other cases commenced (weight of 2)			
	Average past 4 years	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Active Enforcement: (4 countries) 22.8 %													
United States	9,8	27	24	25	17	4	2	4	2	0	2	0	0
Germany	7,4	32	13	14	9	1	2	0	0	11	3	5	8
United Kingdom	3,6	11	6	2	2	4	3	1	2	0	0	0	0
Switzerland	2,0	16	19	22	27	0	1	0	0	0	0	1	1
Moderate Enforcement: (6 countries) 8.9%													
Italy	2,7	1	7	1	3	1		1	2		9	6	7
Canada	2,4	10	2		0	2	2	3	1	0	0	0	0
Australia	1,4	5	10	11	0	1	0	0	0	0	0	1	0
Austria	1,0	5	2	1	0	1	2	1	0	0	0	0	0
Norway	0,9	2	1	0		1	0	0		0	0	0	
Finland	0,5	1	0	0	0	0	2	1	0	0	0	0	0
Limited Enforcement: (9 countries) 12.6%													
France	3,5	1	2	9	16	2	1	1	0	1	1	0	0
Netherlands	3,1	3	3	1	1	0	0		0	0	0		0
South Korea	3,0	0	0	3	0	1	0	0	0	3	0	3	0
Sweden	1,1	0	3	2	0	0	1	0	0	0	0	1	0
Hungary	0,5	1	0	0	0	0	0	0		1	0	0	
South Africa**	0,5	2	2	1	15	0	0	0	0	0	0	0	0
Portugal**	0,4	0	2	5	1	0	0	0	0	0	0	0	0
Greece **	0,3	1	1	1	3	0	0	0	0	0	0	0	0
New Zealand	0,2	0	0	2	1	0	0	0		0	0	0	
Little or No Enforcement: (20 countries) 20.5%													
Japan	3,7	1		2	0	0		0	1	0		1	0
Russia***	2,6	0	0	0	0	0	0	0	0	0	0	0	0
Spain	1,9	1	1	0	1	0	0	0	0	0	0	0	0
Belgium	1,9				1	1			0				0
Mexico	1,7	0	0	0		0	0	0		0	0	0	
Brazil	1,3	2	3	0	3	0	0	0	1			0	0
Ireland	1,1	0	0	0	0	0	0	0	0	0	0	0	0
Poland	1,0	0	0	0	0	0	0	0	0	0	1	0	0
Turkey	0,9	3	1	1	0	0	0	0	0	0	0	0	0
Denmark	0,8	0	3	0	0	0	0	0	0	0	0		0
Czech Republic	0,7	1	2	0	0	0	0	0	0	0	0	0	0
Luxembourg	0,5	0	1	0		0	0	0		0	1	0	
Argentina	0,4	0	1	0	0	0	0	0	0	0	0	0	0
Chile	0,4	0	0	0	0	0	0	0	0	0	0	0	0
Israel	0,4	0	0	0	1	0	0	0	0	0	0	0	0
Slovak Republic	0,4	0	0	0	0	0	0	0	0	0	0	0	0
Colombia***	0,3			0	0			0	0			0	0
Slovenia	0,2	0	1	0		0	0	0	0	0	0	0	
Bulgaria	0,2	0	0	0		0	0	0		0	0	0	
Estonia	0,1	0	0	0	0	0	0	0	0	0	0	0	0

NB: Blank spaces mean that statistical data is not available. Iceland and Latvia are not included in the table; see the note on the Status of Enforcement and country reports.

* Obtained from OECD average for 2011–2014. All export share figures rounded to 1 decimal place.

** Without any major case commenced during the past four years a country does not qualify as being a moderate enforcer, and without a major case with substantial sanctions being concluded in the past four years a country does not qualify as being an active enforcer.

*** The Convention entered into force in Russia in April 2012, in Colombia in January 2013 and in Latvia in May 2014, so the requirements were lowered proportionately.

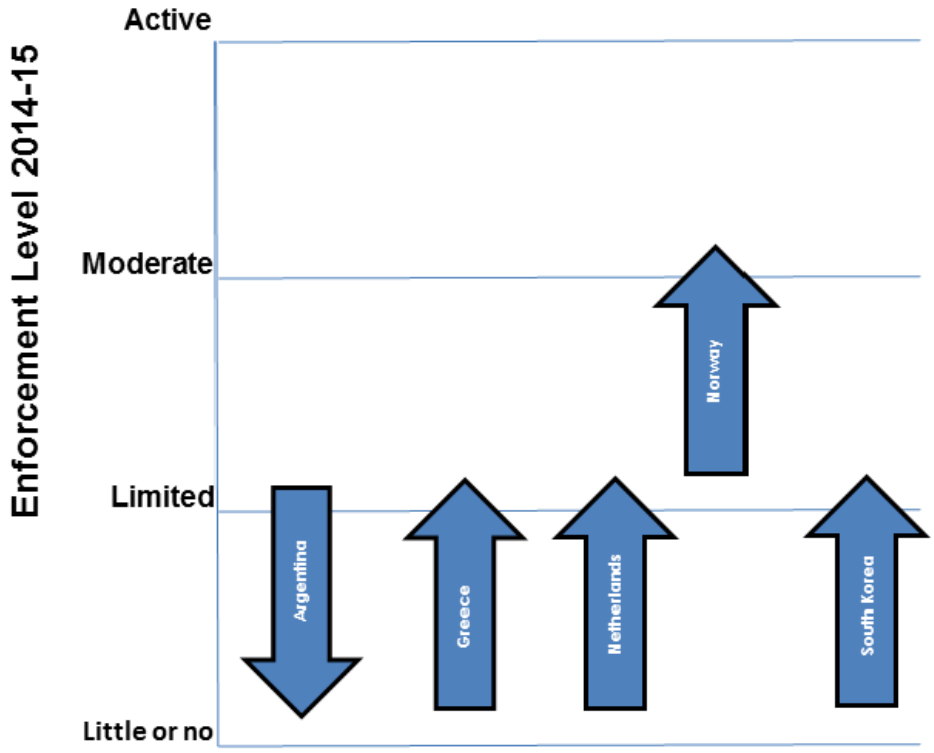
	Major cases concluded with substantial sanctions (weight of 10)				Cases concluded with sanctions (weight of 4)				Total points	Minimum points required for enforcement levels depending on share of world exports		
	2011	2012	2013	2014	2011	2012	2013	2014	Past 4 years	active	moderate	limited
Active Enforcement: (4 countries) 22.8 %												
United States	15	18	13	16	20	11	7	8	**949**	390	195	98
Germany	3	5	0	2	16	24	13	11	**490**	297	148	74
United Kingdom	7	1	2	2	1	0	0	0	**185**	142	71	36
Switzerland	2	0	3	1	1	1	8	4	**208**	81	41	20
Moderate Enforcement: (6 countries) 8.9%												
Italy	0	1	0	2	1		0	0	**106**	108	54	27
Canada	1	0	1	1	0	0	0	0	**74**	97	49	24
Australia	0		0	0	0	1	1	0	**40**	54	27	14
Austria	0	0	0	0	0	0	0	0	**24**	40	20	10
Norway	0	0	0	2	1	0	0		**31**	36	18	9
Finland	0	0	0	0	0	0	1	0	**17**	18	9	5
Limited Enforcement: (9 countries) 12.6%												
France	0	0	0	0	1	1	1	0	**60**	139	70	35
Netherlands	0	1		1	0	0	1	0	**32**	123	61	31
South Korea	0	0	0	0	0	0	0	5	**39**	122	61	30
Sweden	0	1	0	0	0	0	0	0	**21**	45	23	11
Hungary	0	0	0		1	0	0	0	**7**	21	10	5
South Africa**	0	0	0	0	0	0	0	0	**20**	20	10	5
Portugal**	0	0	0	0	0	0	0		**8**	15	8	4
Greece **	0	0	0	0	0	0	0	0	**6**	13	6	3
New Zealand	0	0	0		0	0	0		**3**	9	5	2
Little or No Enforcement: (20 countries) 20.5%												
Japan	0		0	0	0		1	0	**13**	149	74	37
Russia***	0	0	0	0	0	0	0	0	**0**	67	34	17
Spain	0	0	0		0	0	0		**3**	76	38	19
Belgium	1			0				0	**15**	76	38	19
Mexico	0	0	0		0	0	0		**0**	69	34	17
Brazil	0	0	0	0	0	0	0	0	**12**	50	25	13
Ireland	0	0	0	0	0	0	0	0	**0**	43	22	11
Poland	0	0	0	0	0	1	0	0	**6**	42	21	10
Turkey	0	0	0	0	0	0	0	0	**5**	36	18	9
Denmark	0	0	0	0	0	0	0	0	**3**	32	16	8
Czech Republic	0	0	0	0	0	0	0	0	**3**	29	14	7
Luxembourg	0	0	0		0	0	0		**3**	20	10	5
Argentina	0	0	0	0	0	0	0	0	**1**	15	8	4
Chile	0	0	0	0	0	0	0	0	**0**	16	8	4
Israel	0	0	0	0	0	0	0	0	**1**	16	8	4
Slovak Republic	0	0	0	0	0	0	0	0	**0**	15	8	4
Colombia***			0	0			0	0	**0**	6	3	1
Slovenia	0	0	0	0	0	0	0	0	**1**	6	3	2
Bulgaria	0	0	0		0	0	0		**0**	8	4	2
Estonia	0	0	0	0	0	0	0	0	**0**	4	2	1

NB: Blank spaces mean that statistical data is not available. Iceland and Latvia are not included in the table; see the note on the Status of Enforcement and country reports.

* Obtained from OECD average for 2011–2014. All export share figures rounded to 1 decimal place.

** Without any major case commenced during the past four years a country does not qualify as being a moderate enforcer, and without a major case with substantial sanctions being concluded in the past four years a country does not qualify as being an active enforcer.

*** The Convention entered into force in Russia in April 2012, in Colombia in January 2013 and in Latvia in May 2014, so the requirements were lowered proportionately.



Changes in the classification of five countries can be explained as follows:

During the last four years the only anti-foreign bribery enforcement activity in **Argentina** was the commencement of one investigation, and no charges were pressed or convictions rendered.

In 2014 **Greece** opened four new investigations, which shows significant enforcement effort considering the size of the country's share of world exports.

In 2014 the **Netherlands** concluded a major case with substantial sanctions that moved the country to the Limited Enforcement band.

South Korea concluded five cases with sanctions during the last four years.

III. METHODOLOGY

Transparency International utilises three factors that result in four enforcement categories to determine the enforcement level of the OECD Convention countries. The four enforcement categories are:

Active Enforcement
Moderate Enforcement
Limited Enforcement
Little or No Enforcement

"Active Enforcement" is considered a major deterrent to foreign bribery. "Moderate Enforcement" and "Limited Enforcement" indicate stages of progress, but are considered to represent insufficient deterrence. Where there is "Little or No Enforcement" there is no deterrence.

Factor 1: Time period covered

The classification of enforcement is based on the Convention countries' enforcement actions in the period 2011 to 2014.

Factor 2: Share of world exports

The underlying presumption is that the prevalence of foreign bribery is roughly in proportion to export activities and that exporting countries can be compared to each other. Transparency International recognises that the potential for foreign bribery could be affected by factors other than the level of world exports, such as foreign investment, the business ethics culture in the home country, as well as the corruption risks in industry sectors and economies in which business is conducted. Since reliable current country-by-country information for most of these factors is not available, an inclusion of these variables in the weighting scheme was not deemed possible at this point. However, we will continue to explore possibilities for improving our methodology.

Thresholds for enforcement categories are based on the country's average percentage of world exports over a four-year period.[1]

Factor 3: Point system weighting for different enforcement activities

The weighting used is as follows: one point for commencing investigations,[2] two points for commencing cases, four points each for commencing major cases or concluding cases with sanctions, and 10 points for concluding major cases with substantial sanctions.[3] The definition of "major case" includes the bribing of senior public officials by major companies, including state-owned enterprises.[4] In determining whether a case is "major", additional factors to be considered include the following:

- whether the defendant is a large multinational corporation
- whether the amount of the contract and of the alleged payment(s) is large
- a major precedent and deterring effect

[1] Data on share of world exports (goods and services) is provided by the OECD.
[2] For the purposes of this report "investigation" is used to refer to the pre-trial phase and "case" is used to refer to the trial phase of a legal procedure.
[3] "Substantial" sanctions include deterrent prison sentences, large fines, the appointment of a compliance monitor, and/or disqualification from engagement in future business activities.
[4] The level of seniority of public officials would depend, inter alia, on their ability to influence decisions. Characterisation of a case as a "major case" involves discretion, which is exercised narrowly; thus, where there is a degree of doubt a case should not be characterised as "major".

The date of commencement of a case is when an indictment or a civil claim is received by the court – prior to that it is counted as an investigation.

This point system is intended to reflect two relevant factors: 1) the level of effort required by different enforcement actions; and 2) their deterrent effect. While the points assigned are somewhat arbitrary, it seems clear that concluding a major case with substantial sanctions will have a greater deterrent effect and will require greater effort than commencing an investigation. Similarly, concluding a case with sanctions requires more work and greater effort, and has a greater deterrent effect than launching a case.

Calculation of enforcement category

Each country collects enforcement points as a result of its enforcement actions. The sum of these points (the "Total points") is multiplied by the average of the country's share of world exports during the four-year period assessed.

To enter the categories of "Active Enforcement", "Moderate Enforcement" or "Limited Enforcement", the result of a country has to reach the pre-defined threshold ("Minimum points required for enforcement levels") (indicated below in green) of the particular enforcement category. If the result is below the lowest threshold, then the country qualifies for the "Little or No Enforcement" category.

We set the thresholds for each per cent of share of world exports as follows: 40 points are needed to be in the "Active Enforcement" category, 20 points for the "Moderate Enforcement" category, and 10 points for the "Limited Enforcement" category, while a country that has a 1 per cent of share in world exports but collects less than 10 points through its enforcement activities is in the "Little or No Enforcement" category. The following table gives examples of thresholds of enforcement categories based on share of world exports:

	Country W	Country X	Country Y	Country Z
Share of world exports / Enforcement categories	0.5%	1%	2%	4%
Active Enforcement	20	40	80	160
Moderate Enforcement	10	20	40	80
Limited Enforcement	5	10	20	40
Little or No Enforcement	<5	<10	<20	<40

For example, Argentina has a 0.4 per cent share of world exports. 0.4 multiplied by 40, by 20 and by 10 renders the following thresholds: 16 points to be in the "Active Enforcement" category, 8 points for the "Moderate Enforcement" category, and 4 points for the "Limited Enforcement" category.

In addition to the necessary point scores, for a country to be classified in the "Active Enforcement" category at least one major case with substantial sanctions needs to have been concluded during the past four years, while in the "Moderate Enforcement" category at least one major case needs to have commenced in the past four years.

The above thresholds assume that a country which has a 1 per cent share of world exports should collect at least 40 points over a period of four years to be considered as an active enforcer. This may mean, for example, four investigations (4x1 points) plus two cases commenced (2x2 points) plus two major cases commenced (2x4 points) plus one case concluded with sanctions (1x4 point) plus two major cases concluded with substantial sanctions (2x10 points).

For the purposes of this report, foreign bribery cases (and investigations) include civil and criminal cases and investigations, whether brought under laws dealing with corruption, money laundering, tax evasion, fraud, or violations of accounting and disclosure requirements.

Cases (and investigations) involving multiple corporate and/or individual defendants, or multiple charges, are counted as one if they are commenced as a single proceeding. If in the course of a proceeding cases against different defendants are separated, they may be counted as separate concluded cases.

Cases brought on behalf of European Union institutions or international organisations are not counted – for example in Belgium and Luxembourg. These are cases that are identified and investigated by European Union bodies and tried and referred to domestic authorities.

Differences between Transparency International and the Working Group on Bribery Reports

Transparency International's report differs from the Working Group's report in several respects. The principal differences are as follows: Transparency International's report is more comprehensive than the Working Group's report because Transparency International covers investigations, commenced cases and convictions, settlements or other dispositions of cases that have become final, and in which sanctions were imposed, while the Working Group covers only convictions. Transparency International uses a broader definition of foreign bribery cases, covering cases where foreign bribery is the underlying issue, whether brought under laws dealing with corruption, money laundering, tax evasion, fraud or violations of accounting or disclosure requirements; the Working Group covers only foreign bribery cases. The Working Group report is based on data supplied directly by the government representatives who serve as members of the Working Group. Transparency International uses data supplied by its own experts.

Transparency International selects corporate or criminal lawyers who are experts in foreign bribery matters to assist in the preparation of the report. They are primarily local lawyers selected by Transparency International national chapters. The questionnaires are filled in by the experts (most of them have been respondents of this report for several years) and then are reviewed by lawyers in the Transparency International Secretariat. As a next step, the Transparency International Secretariat provides the country representatives of the OECD Working Group with an advanced draft of the full report, in order to receive their comments. The draft is further reviewed by the experts and Transparency International Secretariat after the country representatives provide feedback.

IV. NATIONAL EXPERTS

COUNTRY	National Experts
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Belgium	**Michael Clarke**, Executive Director, Transparency International Belgium **Serge Sacré,** Transparency International Belgium
Brazil	**Solange Falcetta**, Independent consultant for Transparency International in Brazil **Denise Ferreira de Freitas**, Independent consultant for Transparency International in Brazil
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Pro bono recognition

Transparency International would like to acknowledge the support provided by TrustLaw of the Thomson Reuters Foundation in pro bono services relating to finding and coordinating the national experts of several countries.

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