

**ALSTOM****United Kingdom**

FAX



BEN LLEWELLYN



ECGD 020 7512 7271

JOHN TYLER

ALSTOM

2

18/11/05

Postnet

Mr Ben Llewellyn  
 ECGD  
 PO Box 2200  
 2 Exchange Tower  
 Harbour Exchange Square  
 London E14 9GS

18 November 2005

Dear Mr Llewellyn,

**Consultation on ECGD's Interim Response to the Public Consultation Concerning Changes to ECGD's Anti-Bribery & Corruption Procedures introduced in Dec 2004**

ALSTOM is a world leader in the energy and transport infrastructure markets, employing over 60,000 people world-wide. In the UK, ALSTOM directly employs about 5,500 staff and, of course, very many more British jobs are sustained through our extensive network of sub-contractors.

ALSTOM is committed to the elimination of bribery and corruption in business transactions, and all ALSTOM companies and employees are required to conform to all relevant laws of the countries in which they operate. No ALSTOM company or employee may, directly or indirectly, offer or provide an undue pecuniary or other advantage to or for a public official, political party or customer employee or agent, or employee or agent of a lending agency or bank, in violation of the official's or employee's legal duties or in violation of applicable law, in order to obtain or retain business.

Whilst we are disappointed that ECGD is proposing to change the 'December 2004 procedures', we are pleased that the Interim Response addresses many of the concerns that we and other members of the UK business community had expressed in response to the Consultation. The proposed changes do, however, raise some serious issues that need further consideration. The CBI's submission deals with these issues in detail and puts forward a number of proposals, which we fully endorse, but we would like to highlight the following points that we consider to be of particular importance.

- UK business is currently subject to some of the most stringent anti-bribery & corruption laws, and we feel that it should be sufficient for ECGD to satisfy itself that applicants are aware of and compliant with those laws before providing its support.
- It is neither practical nor appropriate for ECGD to take-on the role of an investigatory body.

ALSTOM Ltd  
 34 Dover Street  
 London  
 W1S 4NG England  
 Tel: +44 (0)20 7290 5560  
 Fax: +44 (0)20 7290 5570  
 www.alstom.com

Registered Office:  
 Newbold Road  
 Rugby  
 Warwickshire CV21 2NH  
 Registered in England No. 4267931

**ALSTOM**

- In the draft Application Forms annexed to ECGD's Interim Response, the definition of Related Agreement could be interpreted to include documents that are not specifically related to the Supply Contract. We share the CBI's view that the definition of Related Agreement should refer only to an agreement, undertaking etc with a third party that directly and specifically relates to the Supply Contract.
- Similarly, the definition of Consortium Partner needs to be amended in the way that the CBI have proposed so that it is clear, for example, that it does not include parallel suppliers or companies in the applicant's supply chain.
- We object strongly to the proposal that the names of Senior Managers should be listed in the Schedules to ECGD's Application Forms.
- We do not believe that it should be compulsory for the applicant to divulge the name and address of its Agent on every application.
- When the Agent's name is provided to ECGD in confidence, no external enquiries about that Agent should be initiated without the applicant's prior agreement.
- Applicants should not be liable to repay ECGD's costs if, in defiance of the applicant's instructions and despite the applicant's due diligence and monitoring, an Agent (whether named or un-named) is found to have acted corruptly. The only exception, perhaps, might be where the Agent's corrupt act was in connection with the Supply Contract and the applicant subsequently failed to take appropriate action against the Agent.

We believe that the Regulatory Impact Assessment should address the potential cost to British industry and to the UK economy if ECGD were to (re-)introduce measures that are impractical to the extent that some companies are no longer able to apply for ECGD support.

Yours sincerely



**Eric A Prescott**  
UK President



**John Tyler**  
Director of Insurance & Financing