

Ben Llewellyn,
Export Credits Guarantee Department,
PO Box 2200,
2 Exchange Tower,
Harbour Exchange Square,
London E14 9GS.
17th November 2005

Dear Sir,

**INTERIM RESPONSE TO ECGD'S CONSULTATION ON CHANGES TO ECGD'S
ANTI-BRIBERY AND CORRUPTION PROCEDURES INTRODUCED IN
DECEMBER 2004**

We have pleasure in enclosing BAE Systems' response to ECGD's Interim Response referred to above published on 21st October 2005.

Our response takes the form of an Executive Summary, containing specific proposals, and a Detailed Comments section, which provides supporting arguments for the specific proposals. A Regulatory Impact Assessment is also attached.

BAE Systems appreciates having the opportunity to continue to participate in the consultation process on this important issue. Our Company is committed to compliance with the current English anti-bribery and corruption legislation, and with the equivalent current overseas legislation applicable in those countries in which we do export business. Consequently we fully support the principles that underlie the Interim Response.

We believe that the Interim Response represents a step forward in introducing anti-bribery and corruption provisions which a) are more practical for exporters and banks to comply with, and b) prevent as far as possible the misuse of taxpayers' money in support of export contracts won by corrupt means.

We do however have a number of detailed concerns related to the practical and commercial impact of some of the provisions contained in the Interim Response, and have sought in our attached response to provide specific proposals to address these concerns. The fact that we have articulated our concerns, and made specific proposals to address them, should not be interpreted as a lack of support for the objectives that we share with ECGD and HMG in combating bribery and corruption in export business.

If you require clarification of any of the points raised in the attached response we would be very happy to provide it.

Yours faithfully,
for and on behalf of
BAE Systems plc

James Caldwell
EVP Export Finance

