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Chief Executive

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Dear Customer,

ECGD'S ANTI-BRIBERY AND CORRUPTION PROCEDURES: SPECIAL HANDLING ARRANGEMENTS

The Government published on 9 June 2006 its Concluding Response to the public consultation undertaken by the Export Credits Guarantee Department (ECGD) on its new anti-bribery and corruption procedures. This follows publication on 16 March 2006 of the Government's Final Response on the major issues that had arisen in the course of the consultation.

The main outcomes set out in the Government's Final Response, which appears on the ECGD website www.ecgd.gov.uk, and which will come into effect on 1 July 2006, are:

- UK exporters and investors applying for ECGD support will be requested to provide the identities of agents or other intermediaries involved in the award of a contract;
- ECGD will no longer require representations about the actions of group companies not involved in the contract for which ECGD support is being provided. These changes will provide ECGD with the precise assurances that it requires, and will avoid customers having to provide information that is not necessary; and
- ECGD will have the power to audit the accuracy of those representations relating to the issue of bribery and corruption, on notice, at any time, rather than just when it suspects that bribery has taken place.

Breaches of the new procedures will entitle ECGD to terminate the relevant insurance policy, or, in the case of other ECGD facilities, to seek financial redress from the exporter where the taxpayer has suffered loss.



During the consultation, some exporters expressed concerns that inadvertent disclosure of commercially confidential information could harm their business. On 16 March 2006, the Government extended the consultation until 30 April 2006 to receive views on this final issue. Consultees were invited to comment on ECGD's proposals for handling information about the identities of agents, information which will be required as part of every application, in order to minimise the risk of inadvertent disclosure of that information.

The results of the consultation are set out in the Concluding Response, which appears on the ECGD website www.ecgd.gov.uk. The procedures for handling agents' identities, known as the 'Special Handling Arrangements', will come into effect as part of ECGD's new anti-bribery and corruption procedures on 1 July 2006. The main aspects of these arrangements are:

- If an applicant chooses to invoke the Special Handling Arrangements, only the Head or Deputy Head of ECGD's Business Principles Unit, the relevant Business Director and the Chief Executive will be provided with the name and address of an agent;
- If, after its initial inquiries, ECGD decides that further enquiries are necessary, which would involve sharing the identity of any agent with any other person, whether an official of ECGD or not, the consent of the applicant will be requested; and
- If the applicant refuses to consent to this, the identity will not be shared. However, it is likely in such circumstances that ECGD would be unable to process the application further.

Additionally, in order to comply with the recently revised OECD Action Statement on Bribery and Corruption (available on the OECD website www.oecd.org), we have included in the Application Forms a request to know whether Applicants have been charged with criminal offences or subjected to administrative sanctions of certain types.

From 1 July 2006, new documentation will come into force. Copies of the new application forms, which must be used for all applications for ECGD support from 1 July 2006, are now available on the ECGD website www.ecgd.gov.uk [click Products and Services].

If you have any enquiries about the new arrangements, please contact Roy Donovan (documentation issues) on 020 7512 7346 or David Allwood (policy issues) on 020 7512 7323.

Yours sincerely,

Patrick Crawford

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