A Closer Look at the 2010 UK Bribery Act

By Mike Emmick and Beverly Hengsch

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he 2010 U.S. Bribery Act is now the "right tool in the right place, at the right time," to fight corrupt practices, according to a new study from the Transparency International UK (TI UK) and the Financial Services Council (FSC), and significantly modifies the U.S. domestic bribery laws.

Of particular importance are two new anti-bribery provisions. One creates a defense for companies that fail to prevent bribes paid by their agents or clients. "Reputational losses" are now a defense, even if such losses are not actually suffered. The other provides a defense for companies that fail to prevent bribes paid by their agents or clients, if the company has a "due diligence" program in place to prevent such bribes.

The TI UK FSC study found that companies with such programs are less likely to be found in violation of the Bribery Act. It also found that companies with such programs are less likely to face criminal proceedings, and that such programs are helping to build trust in the global economy.

"We are delighted to see that the UK Bribery Act is having the desired impact," said John Steed, chief executive of Transparency International UK. "The new anti-bribery provisions are a significant step forward in fighting corruption, and we are pleased to see that companies are taking them seriously and implementing them effectively."