

The  
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presents the

## 2016 Ise-Shima G7 Interim Compliance Report

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*“We have meanwhile set up a process and there are also independent institutions monitoring which objectives of our G7 meetings we actually achieve. When it comes to these goals we have a compliance rate of about 80%, according to the University of Toronto. Germany, with its 87%, comes off pretty well. That means that next year too, under the Japanese G7 presidency, we are going to check where we stand in comparison to what we have discussed with each other now. So a lot of what we have resolved to do here together is something that we are going to have to work very hard at over the next few months. But I think that it has become apparent that we, as the G7, want to assume responsibility far beyond the prosperity in our own countries. That’s why today’s outreach meetings, that is the meetings with our guests, were also of great importance.”*

Chancellor Angela Merkel, Schloss Elmau, 8 June 2015

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## 4. Crime and Corruption: International Cooperation on Anti-corruption Initiatives

[Recognizing the seriousness of the global problem of corruption and that the fight against corruption in all its dimensions is an important aspect to realizing the whole of the 2030 Agenda for Sustainable Development, we, the leaders of the G7, renew our commitment to lead by example in moving the global anti-corruption agenda forward.] “Towards this end, the G7 will work individually and collectively to advance our shared priorities through relevant international fora including the Conference of State Parties to the United Nations Convention against Corruption (UNCAC) and its subsidiary bodies, the OECD [Organisation for Economic Co-operation and Development] as well as promoting implementation of the Declaration Against Corruption adopted at the Anti-Corruption Summit hosted by the United Kingdom on May 12, and the ministerial declaration adopted at the OECD Anti-Bribery Ministerial Meeting on March 16.”

*G7 Ise-Shima Leaders’ Declaration on G7 Action to Fight Corruption*

### Assessment

	Lack of Compliance	Work in Progress	Full Compliance
Canada		0	
France			+1
Germany		0	
Italy		0	
Japan		0	
United Kingdom		0	
United States			+1
European Union			+1
Average		+0.38	

### Background

Corruption remains one of the greatest obstacles to global economic and social development. Defined in general terms as “the abuse of entrusted power for private gain,”<sup>256</sup> the corrosive effects of corruption on the societal and institutional fabric of states are both widespread and destructive. Corruption damages the public’s trust in government, undermines the rule of law, leads to political and economic grievances that may “in conjunction with other factors, fuel violent extremism,”<sup>257</sup> and depletes the national wealth of countries by wasting or inefficiently utilizing public resources and money intended for development.<sup>258</sup> Though no country has been immune to its effects, corruption has been particularly damaging to states in the developing world.<sup>259</sup> Consequently, the United Nations Convention Against Corruption (UNCAC) notes that “Corruption hurts the poor disproportionately by diverting funds intended for development, undermining a government’s ability to provide basic services, feeding inequality and injustice, and discouraging foreign aid and

<sup>256</sup> FAQs on Corruption, Transparency International (Berlin). Date of Access: 23 October 2016.

[http://www.transparency.org/whoweare/organisation/faqs\\_on\\_corruption](http://www.transparency.org/whoweare/organisation/faqs_on_corruption).

<sup>257</sup> Anti-Corruption Summit: London 2016 – Communiqué, Government of the United Kingdom (London) May 2016.

Date of Access: 23 October 2016.

<sup>258</sup> FAQs on Corruption, Transparency International (Berlin). Date of Access: 23 October 2016.

[http://www.transparency.org/whoweare/organisation/faqs\\_on\\_corruption](http://www.transparency.org/whoweare/organisation/faqs_on_corruption).

<sup>259</sup> United Nations Convention Against Corruption, United Nations (New York) 2004. Date of Access: 29 September 2016. [https://www.unodc.org/documents/brussels/UN\\_Convention\\_Against\\_Corruption.pdf](https://www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf).

investment.”<sup>260</sup> As World Bank President Jim Yong Kim once noted, corruption is “public enemy number one” in the developing world.<sup>261</sup>

Though the international community has made significant strides in combating corruption over the last decade, recent studies have shown that there is still much more to be done in the global fight against corruption. The 2015 Corruption Perceptions Index published by Transparency International shows that public sector corruption is still rife amongst countries across the globe. 68 per cent of Countries are classified as having a serious corruption problem, which amounts to an estimated total of more than six billion people living in corruption-ridden states.<sup>262</sup> The World Economic Forum estimated in 2014 that the cost of corruption equals more than five per cent of global gross domestic product or a staggering USD2.6 trillion annually.<sup>263</sup> In terms of public perception, crime and corruption easily topped the list of problems considered most pressing in emerging and developing economies in the Pew Research Centre’s 2014 Global Attitudes survey.<sup>264</sup>

The need for an international legally-binding instrument targeting corruption was first expressed in 2003 when the United Nations General Assembly adopted the UNCAC, which entered into force on 14 December 2005.<sup>265</sup> The Convention is widely considered a landmark achievement in the fight against corruption as it was the first comprehensive, multilateral anti-corruption agreement to be applied on a global level, and has since become the international anti-corruption standard. Under Chapter IV of the UNCAC, state parties are obliged to assist one another “in every aspect of the fight against corruption,”<sup>266</sup> with cooperation in criminal matters pertaining to cooperation being mandatory.<sup>267</sup> As of 21 September 2016, all but one of the G7 member states have signed and ratified the convention.<sup>268</sup>

The issue of corruption first appeared on the G8 agenda at the 2003 G8 Evian Summit, the same year the UNCAC was created. At this time, the G8 declared that it would strive to “fight corruption and [the] mismanagement of public resources in both revenue raising and expenditures”<sup>269</sup> by

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<sup>260</sup> United Nations Convention Against Corruption, United Nations (New York) 2004. Date of Access: 29 September 2016. [https://www.unodc.org/documents/brussels/UN\\_Convention\\_Against\\_Corruption.pdf](https://www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf).

<sup>261</sup> Corruption is “Public Enemy Number One” in Developing Countries, says World Bank Group President Kim, The World Bank (Washington, D.C.) 19 December 2013. Date of Access: 29 September 2016. <http://www.worldbank.org/en/news/press-release/2013/12/19/corruption-developing-countries-world-bank-group-president-kim>.

<sup>262</sup> Corruptions Perceptions Index, Transparency International (Berlin) January 2016. Date of Access: 23 October 2016. <http://www.transparency.org/cpi2015>.

<sup>263</sup> CleanGovBiz: Integrity in Practice, Organisation for Economic Co-operation and Development (Paris) 2014. Date of Access: 23 October 2016. <https://www.oecd.org/cleangovbiz/49693613.pdf>.

<sup>264</sup> Crime and Corruption Top Problems in Emerging and Developing Countries, Pew Research Centre (Washington, D.C.) 6 November 2014. Date of Access: 23 October 2016. <http://www.pewglobal.org/2014/11/06/crime-and-corruption-top-problems-in-emerging-and-developing-countries/>.

<sup>265</sup> Corruption: A Glossary of International Standards in Criminal Law, Organisation for Economic Co-operation and Development (Paris) 2008. Date of Access: 29 September 2016. <https://www.oecd.org/daf/anti-bribery/41194428.pdf>.

<sup>266</sup> United Nations Convention Against Corruption: Convention Highlights, United Nations Office on Drugs and Crime (Vienna). Date of Access: 23 October 2016. <https://www.unodc.org/unodc/en/treaties/CAC/convention-highlights.html>.

<sup>267</sup> United Nations Convention Against Corruption: Convention Highlights, United Nations Office on Drugs and Crime (Vienna). Date of Access: 23 October 2016. <https://www.unodc.org/unodc/en/treaties/CAC/convention-highlights.html>.

<sup>268</sup> United Nations Convention Against Corruption: Signature and Ratification Status as of 21 September 2016, United Nations Office on Drugs and Crime (Vienna). Date of Access: 23 October 2016. <https://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

<sup>269</sup> Fighting Corruption and Improving Transparency: A G8 Declaration, G7/G8 Information Centre (Toronto) 2 June 2003. Date of Access: 29 September 2016. [http://www.g8.utoronto.ca/summit/2003evian/corruption\\_en.html](http://www.g8.utoronto.ca/summit/2003evian/corruption_en.html).

emphasizing the need for increased transparency. Corruption has continued to appear in the majority of the G8's agendas since the Evian Summit.<sup>270</sup>

In 2016, the G7 reframed their renewed commitment in pushing forward the global anti-corruption agenda by emphasizing its importance in helping the international community successfully reach the goals of the UN's 2030 Agenda for Sustainable Development, a long-term global initiative. The G7 member states have thus stated that they will "work individually and collectively to advance [their] shared [anti-corruption] priorities [through multilateral channels]."<sup>271</sup> The G7 not only reaffirmed their past commitments to abide by the standards set by the UNCAC, but have also committed themselves to promoting the implementation of recent landmark anti-corruption initiatives such as the Anti-Bribery Ministerial Declaration put forward at the Organisation for Economic Co-operation and Development's Anti-Bribery Ministerial Meeting on 16 March 2016, and the Global Declaration Against Corruption introduced at the London Anti-Corruption Summit on 12 May 2016.<sup>272</sup>

### Commitment Features

This commitment can be broken down into four components. In order to move the global anti-corruption agenda forward G7 members agreed to work individually and collectively to advance their shared priorities through relevant international forums including through:

1. The UNCAC and its subsidiary bodies, which include the Conference of the States Parties and other instruments created to "review implementation and facilitate activities required by the Convention";<sup>273</sup>
2. The OECD. In the G7 Action to Fight Corruption, the G7 defines its shared priorities as:
  - a) "enhancing prevention of corruption in public procurement and enhancing fiscal transparency";<sup>274</sup>
  - b) "strengthening law enforcement cooperation on corruption";<sup>275</sup>
  - c) "enhancing anti-corruption capacity-building support";<sup>276</sup> and,
  - d) "promoting the global effort to fight corruption."<sup>277</sup> Thus, these pillars will serve as a measure of how a G7 member performs in advancing its shared priorities through the global anti-corruption agenda. Examples of the ways in which these goals can be brought about are listed in the G7 Action to Fight Corruption, and include, but are not limited to: work on the Global Asset Recovery Forum and Stolen Asset Recovery Initiative, "enhancing transparency in the entire public procurement process,"<sup>278</sup> and promoting the involvement of civil society members in anti-corruption efforts.<sup>279</sup>

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<sup>270</sup> Fighting Corruption and Improving Transparency: A G8 Declaration, G7/G8 Information Centre (Toronto) 2 June 2003. Date of Access: 29 September 2016. [http://www.g8.utoronto.ca/summit/2003evian/corruption\\_en.html](http://www.g8.utoronto.ca/summit/2003evian/corruption_en.html).

<sup>271</sup> G7 Action to Fight Corruption, G7/G8 Information Centre (Toronto) 27 May 2016. Access date: 23 October 2016. <http://www.g8.utoronto.ca/summit/2016shima/action-plan-corruption.html>.

<sup>272</sup> G7 Action to Fight Corruption, G7/G8 Information Centre (Toronto) 27 May 2016. Access date: 23 October 2016. <http://www.g8.utoronto.ca/summit/2016shima/action-plan-corruption.html>.

<sup>273</sup> United Nations Convention Against Corruption, United Nations Office on Drugs and Crime (Geneva). Access date: 29 October 2016. <https://www.unodc.org/unodc/en/treaties/CAC/>.

<sup>274</sup> G7 Action to Fight Corruption, G7/G8 Information Centre (Toronto) 27 May 2016. Access date: 29 September 2016. <http://www.g8.utoronto.ca/summit/2016shima/action-plan-corruption.html>.

<sup>275</sup> G7 Action to Fight Corruption, G7/G8 Information Centre (Toronto) 27 May 2016. Access date: 29 September 2016. <http://www.g8.utoronto.ca/summit/2016shima/action-plan-corruption.html>.

<sup>276</sup> G7 Action to Fight Corruption, G7/G8 Information Centre (Toronto) 27 May 2016. Access date: 29 September 2016. <http://www.g8.utoronto.ca/summit/2016shima/action-plan-corruption.html>.

<sup>277</sup> G7 Action to Fight Corruption, G7/G8 Information Centre (Toronto) 27 May 2016. Access date: 29 September 2016. <http://www.g8.utoronto.ca/summit/2016shima/action-plan-corruption.html>.

<sup>278</sup> G7 Action to Fight Corruption, G7/G8 Information Centre (Toronto) 27 May 2016. Access date: 29 September 2016. <http://www.g8.utoronto.ca/summit/2016shima/action-plan-corruption.html>.

<sup>279</sup> G7 Action to Fight Corruption, G7/G8 Information Centre (Toronto) 27 May 2016. Access date: 29 September 2016. <http://www.g8.utoronto.ca/summit/2016shima/action-plan-corruption.html>.

3. The Declaration Against Corruption adopted at the Anti-Corruption Summit; Examples of the ways in which pledge (3) can be brought about include but are not limited to: driving out actors in the private sector “who facilitate or are complicit in corruption and denying the corrupt the use of legitimate business channels”; “actively enforcing anti-corruption laws and working together to pursue the corrupt, prosecute and punish them”; and “encouraging and supporting the international organisations to increase their focus on fighting corruption and to coordinate their work more effectively.”<sup>280</sup>
4. The Ministerial Declaration adopted at the OECD Anti-Bribery Ministerial Meeting.<sup>281</sup> Examples of the ways in which pledge (4) can be brought about include, but are not limited to: “[encouraging] all Parties to support each other’s law enforcement efforts and explore innovative methods to combat foreign bribery”; “appealing to non-Parties that are major exporters and foreign investors to accede to and implement the Anti-Bribery Convention”; and “[encouraging] the [OECD Working Group on Bribery in International Business Transactions] to continue to consult and collaborate with international organisations, business and civil society organisations active in the fight against foreign bribery and corruption.”<sup>282</sup>

Thus for full compliance, the G7 member must have worked individually **and** collectively to advance their shared priorities on global anti-corruption by complying with three of the four stated actions of:

1. Advancing shared priorities on global anti-corruption through the UNCAC and its subsidiary bodies;
2. Advancing shared priorities on global anti-corruption through the OECD;
3. Promoting implementation of the Declaration Against Corruption adopted at the Anti-Corruption Summit; and
4. Promoting implementation of the ministerial declaration adopted at the OECD Anti-Bribery Ministerial Meeting.

For a member to receive a score for partial compliance it must have complied with at least two of the listed criteria. Compliance with only one of the listed criteria or less will result in a score for non-compliance.

**Scoring Guidelines**

-1	Member has not worked with other G7 members or independently to advance any of their four shared priorities for combating corruption OR has complied with only one of these priorities.
0	Member has worked with other G7 members and independently to advance at least two of their four shared priorities for combating corruption.
+1	Member has worked alone AND with other G7 members to advance three OR more of their four shared priorities.

*Lead Analyst: Bryan Roh*

**Canada: 0**

Canada has partially complied with its commitment to fostering international cooperation where crime and corruption is concerned.

<sup>280</sup> Global Declaration Against Corruption, Government of the United Kingdom (London) 12 May 2016. Access Date: 15 November 2016. <https://www.gov.uk/government/publications/global-declaration-against-corruption/global-declaration-against-corruption>.

<sup>281</sup> G7 Action to Fight Corruption, G7/G8 Information Centre (Toronto) 27 May 2016. Date of Access: 23 October 2016. <http://www.g8.utoronto.ca/summit/2016shima/action-plan-corruption.html>.

<sup>282</sup> OECD Anti-Bribery Ministerial Meeting: Ministerial Declaration, the OECD (Paris) 16 March 2016. Access Date: 15 November 2016. <https://www.oecd.org/corruption/anti-bribery/OECD-Anti-Bribery-Ministerial-Declaration-2016.pdf>.

On 29 July 2016, Canada's Department of Finance, under the newly appointed Trudeau Administration, released legislative proposals regarding tax reforms.<sup>283</sup> These reforms are part of the Action Plan on Base Erosion and Profit Shifting (BEPS) devised by the Organisation for Economic Co-operation and Development (OECD). BEPS refers to the shifting of sales and profits from one jurisdiction to another by multinational companies, usually to avoid taxation. The legislative framework is being laid down to adopt the OECD Action Plan, and companies are expected to begin adhering to these standards as of 1 January 2017.<sup>284</sup> The draft legislation will add the new Section 233.8 — Country-by-Country Reporting — to the Canadian Income Tax Act.<sup>285</sup> In these proposals, Canada has announced that it intends to incorporate base standards for common reporting standards, promote the sharing of tax information, counter transfer mispricing, and implement country-by-country reporting.<sup>286</sup> These measures are designed to help expose corruption and tackle harmful tax avoidance.

On 13 July 2016, the OECD presented a prototype of the Knowledge Sharing Platform (KSP) developed by Canada, which would allow various countries to increase their knowledge and expertise in tax administration. KSP is an online collaboration tool, developed by the Canadian Revenue Agency, that would improve taxation and allow broader access to training and support in many developing countries.<sup>287</sup> The OECD presented this online tool live in a presentation, highlighting some of its features and projecting its success in aiding capacity-building in many regions across the world.<sup>288</sup> When fully completed, the KSP is expected to enhance collaboration and information-sharing with other countries, promoting transparency.

On 29 June 2016, Canadian Prime Minister Justin Trudeau announced initiatives directed to bettering public tax administration and tackling corruption in Central America as part of a joint effort in the North American Leader's Summit.<sup>289</sup> Prime Minister Trudeau announced an amount of CAD5 million to fund the Mission to Support the Fight against Corruption and Impunity in Honduras, and a further CAD4 million for the International Commission Against Impunity in Guatemala.<sup>290</sup> These efforts are part of broader initiatives undertaken in collaboration with the United States and Mexico in reducing crime and corruption in developing countries within the Americas and aligns with the broader goals of the Declaration Against Corruption.

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<sup>283</sup> Canada Issues Proposed Legislation on Country-By-Country Reporting, Pricewaterhouse Cooper (London). 8 August 2016. Date of Access: 30 November 2016. <https://www.pwc.com/gx/en/tax/newsletters/pricing-knowledge-network/assets/pwc-TP-Canada-proposed-CbCR.pdf>.

<sup>284</sup> Canada Issues Proposed Legislation on Country-By-Country Reporting, Pricewaterhouse Cooper (PWC). 8 August 2016. Date of Access: 30 November 2016. <https://www.pwc.com/gx/en/tax/newsletters/pricing-knowledge-network/assets/pwc-TP-Canada-proposed-CbCR.pdf>.

<sup>285</sup> Canada Introduces Country-by-Country Reporting Legislation, Tax Insights – Ernst & Young. 9 August 2016. Date of Access: 30 November 2016. <http://taxinsights.ey.com/archive/archive-news/canada-introduces-country-by-country-reporting-legislation.aspx>.

<sup>286</sup> Canada Issues Proposed Legislation on Country-By-Country Reporting, Pricewaterhouse Cooper (PWC). 8 August 2016. Date of Access: 30 November 2016. <https://www.pwc.com/gx/en/tax/newsletters/pricing-knowledge-network/assets/pwc-TP-Canada-proposed-CbCR.pdf>.

<sup>287</sup> Tax Administrations and Capacity Building: A Collective Challenge, Organization of Economic Cooperation and Development (OECD), p54-56. 13 May 2016. Date of Access: 30 November 2016.

<sup>288</sup> Global Relations Calendar 2016, Organization of Economic Cooperation and Development (OECD). Date of Access: 30 November 2016. <http://www.oecd.org/ctp/tax-global/global-relations-calendar-of-events.htm>.

<sup>289</sup> North American Leader's Summit 2016 – Prime Minister – Government of Canada, Office of the Prime Minister of Canada (Ottawa). Date of Access: 30 November 2016. <http://pm.gc.ca/eng/news/2016/06/29/regional-and-global-issues-2016-north-american-leaders-summit>.

<sup>290</sup> North American Leader's Summit 2016 – Prime Minister – Government of Canada, Office of the Prime Minister of Canada (Ottawa) n.d. Access date: 30 November 2016. <http://pm.gc.ca/eng/news/2016/06/29/regional-and-global-issues-2016-north-american-leaders-summit>.

Canada has worked individually and collaboratively through the OECD to counter corruption and promoted implementation of the goals outlined in the Declaration Against Corruption. Therefore, Canada has scored 0 for partial compliance with this commitment.

*Analyst: Noor Fatima*

**France: +1**

France has fully complied with its commitment to strengthen anti-corruption legislation by working individually to deter corruption in French corporations and collectively to facilitate international discussion on transparency.

On 14 June 2016, the National Assembly of France adopted the Law on Transparency, the Fight against Corruption and Modernization of Economic Life,<sup>291</sup> a bill that was proposed in an attempt to strengthen anti-corruption efforts within French corporations. The National Assembly began reviewing the content of the bill, more commonly known as “Sapin II,” on 6 June 2016, and the negotiations spanned nine days before the bill was passed.<sup>292</sup> French Finance Minister Michel Sapin proposed the law in response to several recent criticisms of France’s lax anti-corruption legislation, particularly those expressed by the Organisation for Economic Co-operation and Development (OECD), which reproached “the authorities’ lack of initiative in cases involving French enterprises and proven or presumed instances of foreign bribery.”<sup>293</sup>

On 8 July 2016, the French Senate revised and amended articles of the Sapin II bill<sup>294</sup> that had previously been approved by the National Assembly on 14 June 2016.<sup>295</sup> The Senate recommended that the National Assembly repeal some of the powers of the proposed Corruption Detection Agency (CDA), a new prosecution agency that would be established under the Sapin II law.<sup>296</sup> In particular, the Senate recommended that the article giving the CDA the power to impose fines on both corporations and individuals who failed to comply with the conditions of the bill be removed.<sup>297</sup>

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<sup>291</sup> Law Project on the Transparency, the Fight against Corruption and the Modernization of Economic Life, Adopted by the National Assembly in the First Reading, The National Assembly of France (Paris) 14 June 2016. Access Date: 30 November 2016. <http://www.assemblee-nationale.fr/14/ta/ta0755.asp>

<sup>292</sup> Law Project on the Transparency, the Fight against Corruption and the Modernization of Economic Life, Adopted by the National Assembly in the First Reading, The National Assembly of France (Paris) 14 June 2016. Access Date: 30 November 2016. <http://www.assemblee-nationale.fr/14/ta/ta0755.asp>

<sup>293</sup> France: Follow-Up on the Phase 3 Report & Recommendations, Organization for Economic Co-operation and Development (Paris) 19 December 2014. Access Date: 30 November 2016. <http://www.oecd.org/daf/anti-bribery/France-Phase-3-Written-Follow-up-ENG.pdf>

<sup>294</sup> Official Summary Record of July 4 2016, The Senate of France (Paris) 4 July 2016. Access Date: 01 December 2016. [https://www.senat.fr/cra/s20160704/s20160704\\_7.html#par\\_37](https://www.senat.fr/cra/s20160704/s20160704_7.html#par_37)

<sup>295</sup> France’s National Assembly Rejects Senate’s Amendments to Anti-Corruption Bill, Global Investigations Review (London) 05 October 2016. Access Date: 28 November 2016. <http://globalinvestigationsreview.com/article/1069004/france%E2%80%99s-national-assembly-rejects-senate-amendments-to-anti-corruption-bill>

<sup>296</sup> France’s National Assembly Rejects Senate’s Amendments to Anti-Corruption Bill, Global Investigations Review (London) 5 October 2016. Date of Access: 28 November 2016. <http://globalinvestigationsreview.com/article/1069004/france%E2%80%99s-national-assembly-rejects-senate-amendments-to-anti-corruption-bill>.

<sup>297</sup> France’s National Assembly Rejects Senate’s Amendments to Anti-Corruption Bill, Global Investigations Review (London) 5 October 2016. Date of Access: 28 November 2016. <http://globalinvestigationsreview.com/article/1069004/france%E2%80%99s-national-assembly-rejects-senate-amendments-to-anti-corruption-bill>.



On 29 September 2016, the French National Assembly passed the final revised version of the Sapin II bill.<sup>298</sup> The final draft of the bill rejected the Senate's recommendation that the CDA not have financial prosecution power.<sup>299</sup> Additionally, the final draft included deferred prosecution agreements (DPA) that could be used by corporations who had been prosecuted for corruption to avoid imprisonment and instead pay a fine of up to 30% of the revenue of the company.<sup>300</sup> The implementation of these DPAs applies only to corporations, not individuals.<sup>301</sup> According to the new draft, individuals prosecuted for corruption will undergo criminal sanctions in accordance with the Criminal Code of France.

On 8 November 2016, the final draft of the Sapin II bill was passed in the French Parliament with a majority vote of 308-171.<sup>302</sup> The new law includes protection for whistleblowers to ensure their safety and anonymity remains intact in the face of any possible retaliation attempts.<sup>303</sup> The Sapin II law also establishes the formation of a new prosecution agency to replace the Service Central de Repression de la Corruption.<sup>304</sup> This new agency will have more investigative power, and will also have the ability to prosecute those who do not abide by the new law.<sup>305</sup> Additionally, under the new Sapin II law, all companies with "more than 500 employees and annual revenue of at least 100 million"<sup>306</sup> are required to implement compliance programs for their employees. A company's failure to abide by this program will result in a fine of up to EUR1,000,000 for the company, and up to EUR200,000 fine for individuals.<sup>307</sup>

In October 2016, France took over as Lead Chair of Open Government Partnership (OGP).<sup>308</sup> OGP is an "international platform for domestic reformers committed to making their governments more

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<sup>298</sup> Law Project on the Transparency, the Fight against Corruption and the Modernization of Economic Life, Adopted by the National Assembly in the New Reading, The National Assembly of France (Paris) 29 September 2016. Date of Access: 30 November 2016. <http://www.assemblee-nationale.fr/14/ta/ta0818.asp>.

<sup>299</sup> France's National Assembly Rejects Senate's Amendments to Anti-Corruption Bill, Global Investigations Review (London) 5 October 2016. Date of Access: 28 November 2016. <http://globalinvestigationsreview.com/article/1069004/france%E2%80%99s-national-assembly-rejects-senate-amendments-to-anti-corruption-bill>.

<sup>300</sup> Sapin II Law: Is France at the Cutting Edge of Anti-Corruption Legislation? Simmons & Simmons elexica (London) 10 November 2016. Date of Access: 23 November 2016. <http://www.elexica.com/en/legal-topics/crime-fraud-and-investigations/04-sapin-ii-bill-will-france-be-at-the-cutting-edge?txt>.

<sup>301</sup> Sapin II Law: Is France at the Cutting Edge of Anti-Corruption Legislation? Simmons & Simmons (London) 10 November 2016. Date of Access: 23 November 2016. <http://www.elexica.com/en/legal-topics/crime-fraud-and-investigations/04-sapin-ii-bill-will-france-be-at-the-cutting-edge?txt>.

<sup>302</sup> The draft anti-corruption law "Sapin II" adopted, Le Figaro (Paris) 08 November 2016. Date of Access: 01 December 2016. <http://www.lefigaro.fr/flash-eco/2016/11/08/97002-20161108FILWWW00305-le-projet-de-loi-anticorruption-sapin-ii-adopte.php>.

<sup>303</sup> Recent Developments in the Anti-Corruption Regulations in France and Germany, ELIG Attorneys-at-Law (Istanbul). 15 November 2016. Date of Access: 23 November 2016. <http://www.lexology.com/library/detail.aspx?g=c06059c1-7259-470b-b6f0-29604e797fb8>.

<sup>304</sup> New French Anti-Corruption Law: France Strengthens its Legislation to Combat Bribery and Corruption and Adopts U.S.-Style Anti-Corruption System, Baker & McKenzie (Chicago) 13 November 2016. Date of Access: 23 November 2016. <http://www.lexology.com/library/detail.aspx?g=889fc35e-60d3-42b6-9da2-b16d060fb8bf>.

<sup>305</sup> New French Anti-Corruption Law: France Strengthens its Legislation to Combat Bribery and Corruption and Adopts U.S.-Style Anti-Corruption System, Baker & McKenzie (Chicago) 13 November 2016. Date of Access: 23 November 2016. <http://www.lexology.com/library/detail.aspx?g=889fc35e-60d3-42b6-9da2-b16d060fb8bf>.

<sup>306</sup> New French Anti-Corruption Law: France Strengthens its Legislation to Combat Bribery and Corruption and Adopts U.S.-Style Anti-Corruption System, Baker & McKenzie (Chicago) 13 November 2016. Date of Access: 23 November 2016. <http://www.lexology.com/library/detail.aspx?g=889fc35e-60d3-42b6-9da2-b16d060fb8bf>.

<sup>307</sup> New French Anti-Corruption Law: France Strengthens its Legislation to Combat Bribery and Corruption and Adopts U.S.-Style Anti-Corruption System, Baker & McKenzie (Chicago) 13 November 2016. Date of Access: 23 November 2016. <http://www.lexology.com/library/detail.aspx?g=889fc35e-60d3-42b6-9da2-b16d060fb8bf>.

<sup>308</sup> France, Introduction, Open Government Project. Date of Access: 4 April 2017.

<https://www.opengovpartnership.org/country/france>

open, accountable, and responsive to citizens.”<sup>309</sup> The organization consists of seventy-five participating countries. France has indicated that it will focus on three key issues during its tenure as Lead Chair: Climate Change and Sustainable Development; Transparency, Integrity and Anti-Corruption; and Digital Commons.<sup>310</sup> The OGP Global Summit 2016 was held in Paris on 7-9 December, with additional events on 5 and 6 December.<sup>311</sup>

France has worked individually to advance shared priorities through the OECD. Its actions are aligned with the Declaration Against Corruption and the OECD Anti-Bribery Ministerial Meeting communiqué. France has also taken a leadership role in attempting to facilitate a global discussion on anti-corruption through the OGP. France has therefore fully complied with its commitment and, as such, has been awarded a score of +1.

*Analyst: Nadine Ramadan*

### **Germany: 0**

Germany has partially complied with its commitment to combat global anti-corruption.

On 4 June 2016, the German government expanded its anti-corruption efforts within the sphere of healthcare. The German Act on Fighting Corruption in the Healthcare Sector criminalizes acts of bribery among private healthcare practitioners in the German Criminal Code (StGB). The aim of the Act is to resolve the issue of private practitioners engaging in corrupt exchanges without legal liability following the German Federal Court’s decision on 29 March 2012 that such actors are neither “public officials nor employees or agents of a business.”<sup>312</sup>

On 2 July 2016, the Federal Financial Supervisory Authority (BaFin) introduced a new whistleblower law that enables employees or other persons associated with a company or organization to inform BaFin of “any violations of existing supervisory rules.” This information may be submitted through various forums including mail, e-mail, telephone, or in person. This system also ensures the anonymity of whistleblowers and protects them from heavy repercussions from their employer for breach of confidentiality resulting in termination or criminal sanctions.<sup>313</sup>

On 29 July 2016, German prosecutors announced their further investigation regarding bribery over sales made by the German unit of Rolls-Royce Holdings Plc within seven Asian countries. This continuing investigation concerns a corruption case over sales in South Korea dating back to 2011. Tognum, an engines producer in which Rolls-Royce is invested, was found to have EUR23 million in commission paid in connection to sales of defence-related product in Korea by its MTU Friedrichshafen unit. A representative of the German authority stated that the investigation may result in further “profit seizures.”<sup>314</sup>

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<sup>309</sup> What is the Open Government Partnership?, Open Government Partnership. Date of Access: 4 April 2017. <https://www.opengovpartnership.org/>

<sup>310</sup> France’s chair of the Open Government Partnership (OGP) has begun, Government of France. Date of Access: 4 April 2017. <http://www.gouvernement.fr/en/france-s-chair-of-the-open-government-partnership-ogp-has-begun>

<sup>311</sup> OGP Global Summit 2016: Paris, Open Government Partnership. Date of Access: 4 April 2017. <https://www.opengovpartnership.org/events/ogp-global-summit-2016-paris>

<sup>312</sup> German Act on Fighting Corruption in the Healthcare Sector: Strengthening Criminal Anti-Corruption Law with Regard to Healthcare Professionals, Clifford Chance (London) 28 June 2016. Date of Access: 3 November 2016. [https://www.cliffordchance.com/briefings/2016/06/german\\_act\\_on\\_fightingcorruptioninth.html](https://www.cliffordchance.com/briefings/2016/06/german_act_on_fightingcorruptioninth.html)

<sup>313</sup> German Watchdog Moves Forward with More Whistleblower Options: Inside Counsel, Ed Silverstein (Chicago) 12 July 2016. Date of Access: 21 November 2016. <http://www.insidecounsel.com/2016/07/12/german-watchdog-moves-forward-with-more-whistleblo>.

<sup>314</sup> Rolls-Royce Unit Mired in German Bribery Probe Over Asian Sales: Bloomberg, Karin Matussek (New York City) 29 July 2016. Date of Access: 21 November 2016. <http://www.bloomberg.com/news/articles/2016-07-29/rolls-royce-unit-mired-in-german-bribery-probe-over-asian-sales>.

On 10 March 2017, Germany adopted a new law concerning fraudulent betting and the manipulation of professional sporting events. The law institutes criminal punishments for these offenses.<sup>315</sup>

Germany has taken some action individually that aligns with the goals of the Declaration Against Corruption and the Organisation for Economic Co-operation and Development's (OECD) Anti-Bribery Ministerial Meeting declaration. It has not worked collectively in this regard. Germany has not worked individually or collectively to advance shared priorities through the United Nations Convention against Corruption or the OECD. It has therefore received a score of 0 for partial compliance.

*Analyst: Hivda Ates*

### **Italy: 0**

Italy has partially complied with its commitment to advance the global anti-corruption agenda.

On 11 October 2016, the Italian government approved a decree-law that set aside EUR200 million in aid for economic recovery of areas devastated by the 24 August 2016 earthquake.<sup>316</sup> The decree has taken steps to ensure standards of legality and transparency during reconstruction, including the creation of a “unique central purchasing body, a register of companies and professionals and constantly updated data.”<sup>317</sup> The decree has also appointed the ANAC, Italy's National Anti-Corruption Authority, to monitor the reconstruction to ensure compliance with anti-corruption commitments.<sup>318</sup> The ANAC will also be analyzing how past public funds have been assigned and spent on post-quake construction processes since the 1997 earthquake. They will be working with Italy's anti-corruption corps to carry out their goals.<sup>319</sup>

On 11 October 2016, Chief of the ANAC Raffaele Cantone pledged to “wage war on nepotism and cronyism”<sup>320</sup> in Italian universities by “introducing meritocracy and transparency and wiping out the ‘barons’,”<sup>321</sup> who he describes as corrupt, well-networked scholars.<sup>322</sup> In speaking with La Repubblica,

<sup>315</sup> Bundestag beschließt Strafbarkeit von Spielmanipulation,, Bundesministerium der Justiz und für Verbraucherschutz. 10 March 2017. Date of Access: 5 April 2017.

[http://www.bmjuv.de/SharedDocs/Pressemitteilungen/DE/2017/03102017\\_BT\\_Beschluss\\_Spielmanipulation.html](http://www.bmjuv.de/SharedDocs/Pressemitteilungen/DE/2017/03102017_BT_Beschluss_Spielmanipulation.html)

<sup>316</sup> The Government Allocates €200 Million for Reconstruction and Economic Support to Areas Devastated by the Quake, Il Sole 24 Ore (Milan) 12 October 2016. Date of Access: 1 November 2016.

<http://www.italy24.ilsole24ore.com/art/government-policies/2016-10-11/the-government-allocates-200-billion-for-reconstruction-and-economic-support--to-areas-devastated-by-the-quake-201658.php?uuiid=ADQAwVaB>.

<sup>317</sup> The Government Allocates €200 Million for Reconstruction and Economic Support to Areas Devastated by the Quake, Il Sole 24 Ore (Milan) 12 October 2016. Date of Access: 1 November 2016.

<http://www.italy24.ilsole24ore.com/art/government-policies/2016-10-11/the-government-allocates-200-billion-for-reconstruction-and-economic-support--to-areas-devastated-by-the-quake-201658.php?uuiid=ADQAwVaB>.

<sup>318</sup> The Government Allocates €200 Million for Reconstruction and Economic Support to Areas Devastated by the Quake, Il Sole 24 Ore (Milan) 12 October 2016. Date of Access: 1 November 2016.

<http://www.italy24.ilsole24ore.com/art/government-policies/2016-10-11/the-government-allocates-200-billion-for-reconstruction-and-economic-support--to-areas-devastated-by-the-quake-201658.php?uuiid=ADQAwVaB>.

<sup>319</sup> Anti-corruption Authority Will Keep Tab on Post-Quake Reconstruction, Il Sole 24 Ore (Milan) 31 August 2016. Date of Access: 6 November 2016. <http://www.italy24.ilsole24ore.com/art/business-and-economy/2016-08-30/sisma-140154.php?uuiid=ADtClHCB>.

<sup>320</sup> Anti-Corruption Boss to Target Italian Universities, Times Higher Education (London) 11 October 2016. Date of Access: 15 November 2016. <https://www.timeshighereducation.com/news/anti-corruption-boss-target-italian-universities>.

<sup>321</sup> Anti-Corruption Boss to Target Italian Universities, Times Higher Education (London) 11 October 2016. Date of Access: 15 November 2016. <https://www.timeshighereducation.com/news/anti-corruption-boss-target-italian-universities>.

<sup>322</sup> Anti-Corruption Boss to Target Italian Universities, Times Higher Education (London) 11 October 2016. Date of Access: 15 November 2016. <https://www.timeshighereducation.com/news/anti-corruption-boss-target-italian-universities>.

Rome's daily newspaper, Cantone stated that the ANAC will be publishing proposals for universities in its 2017 programme of work and that he believes the solution to promoting anti-corruption in Italy is not to create new laws, but rather to apply existing laws effectively.<sup>323</sup>

On 23 June 2016, Mayor of Rome Virginia Raggi pledged to crack down on corruption in the wake of new revelations about the extent to which organized crime takes place in the Roman city hall,<sup>324</sup> a scandal now known as the Mafia Capitale scandal.<sup>325</sup> Raggi came in as Rome's new mayor on 20 June 2016<sup>326</sup> after taking over from a government commissioner who stepped in at the end of 2015 due to the previous mayor of Rome being forced to resign over a corruption scandal.<sup>327</sup> Raggi, who promised to root out the corruption at city hall during her campaign, has guaranteed strict enforcement of the law on public tenders, stating that "[e]very company wanting to work for Rome in whatever sector will be given equal opportunity to propose their services and the best offer will get the contract,"<sup>328</sup> and has expressed her desire to work closely with the ANAC.<sup>329</sup>

On 11 October 2016, ANAC Chief Raffaele Cantone met with Serbian Prime Minister Aleksandar Vucic to mark the launch of the EU Twinning project "Preventing and combatting corruption."<sup>330</sup> The project, worth EUR2 million, is meant to connect the Serbian Anti-corruption Agency with anti-corruption authorities in both Italy and Spain in order to "strengthen the prevention mechanism in Serbia and promote an active role of the Anti-corruption Agency, relevant authorities, CSOs [civil society organizations] and the media."<sup>331</sup> Cantone stated his wish for the two agencies to work together given that "Italy is, unfortunately, very familiar with corruption."<sup>332</sup>

On 5 December 2016, the Head of Italy's Anti-Corruption Authority, Raffaele Cantone, sat on a panel during the World Bank Group and the U.S. Chamber of Commerce's second Annual Global Benchmarking Public Procurement Conference.<sup>333</sup>

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<sup>323</sup> Anti-Corruption Boss to Target Italian Universities, Times Higher Education (London) 11 October 2016. Date of Access: 15 November 2016. <https://www.timeshighereducation.com/news/anti-corruption-boss-target-italian-universities>.

<sup>324</sup> Mayor's War on Corruption Could Bring Rome €1bn a Year, The Local (Rome) 23 June 2016. Date of Access: 19 November 2016. <http://www.thelocal.it/20160623/romes-new-mayor-pledges-1bn-bonus-from-corruption-crackdown>.

<sup>325</sup> Rubbish on the Streets, Corruption in the Air: Rome Looks for a Clean-up Candidate, The Guardian (London) 12 June 2016. Date of Access: 19 November 2016. <https://www.theguardian.com/world/2016/jun/11/rome-mayoral-elections-raggi-corruption-five-star-movement>.

<sup>326</sup> Virginia Raggi Becomes First Female Mayor of Rome, Al Jazeera (Doha) 20 June 2016. Date of Access: 26 November 2016. <http://www.aljazeera.com/news/2016/06/rome-poised-elect-female-mayor-virginia-raggi-160619080951104.html>.

<sup>327</sup> Rome Mayor Ignazio Marino Resigns after 'Dinnergate' Row, The Telegraph (London) 8 October 2015. Date of Access: 26 November 2016. <http://www.telegraph.co.uk/news/worldnews/europe/italy/11920117/Rome-mayor-Ignazio-Marino-resigns-after-Dinnergate-row.html>.

<sup>328</sup> Mayor's War on Corruption could Bring Rome €1bn a Year, The Local (Rome) 23 June 2016. Date of Access: 19 November 2016. <http://www.thelocal.it/20160623/romes-new-mayor-pledges-1bn-bonus-from-corruption-crackdown>.

<sup>329</sup> Mayor's War on Corruption Could Bring Rome €1bn a Year, The Local (Rome) 23 June 2016. Date of Access: 19 November 2016. <http://www.thelocal.it/20160623/romes-new-mayor-pledges-1bn-bonus-from-corruption-crackdown>.

<sup>330</sup> Cantone: Fight against Corruption Will Improve Lives of Regular people in Serbia, EU Delegation to the Republic of Serbia (Belgrade) 12 October 2016. Date of Access: 30 November 2016. <http://europa.rs/cantone-fight-against-corruption-will-improve-lives-of-regular-people-in-serbia/?lang=en>.

<sup>331</sup> Davenport: Success in the Fight Against Corruption Key to EU Integration, EU Delegation to the Republic of Serbia (Belgrade) 11 October 2016. Date of Access: 30 November 2016. <http://europa.rs/davenport-success-in-the-fight-against-corruption-key-to-eu-integration/?lang=en>.

<sup>332</sup> Davenport: Success in the Fight Against Corruption Key to EU Integration, EU Delegation to the Republic of Serbia (Belgrade) 11 October 2016. Date of Access: 30 November 2016. <http://europa.rs/davenport-success-in-the-fight-against-corruption-key-to-eu-integration/?lang=en>.

<sup>333</sup> Benchmarking Public Procurement 2017 Report of the World Bank Group, Global Business Coalition (Washington, D.C.) 5 December 2016. Date of Access: 11 April 2017. <http://www.globalbusinesscoalition.org/gbc-press-releases/benchmarking-public-procurement-2017-report-of-the-world-bank-group/>

On 13 December 2016, the Italian Foreign Ministry hosted a high-level event entitled “Fighting corruption, economic growth and the activities of Italian companies abroad.” The purpose of the event was to discuss “the relationship between anti-corruption policies and the activities of Italian companies abroad with a view to promoting sustainable economic growth.”<sup>334</sup> Several high ranking officials spoke at the event, including President of ANAC Raffaele Cantone, the Chief Prosecutor of Milan Francesco Greco, the Vice President of Confindustria Licia Mattioli, the correspondent of Il Corriere della Sera Fiorenza Sarzanini, the Director of UNICRI Cindy Smith, and the Foreign Ministry’s Secretary General Elisabetta Belloni. Representatives from the embassies accredited in Rome, Public Administrations, public agencies, legal practitioners, members of the press, and individuals from the private sector were invited to attend.<sup>335</sup>

On 15 December 2016, the Italian Government announced a contribution of over USD110,000 to the *International Commission against Impunity in Guatemala (CIGIG)*. The funding will be used to “promote the culture of legality in Guatemalan civil society, starting from children and young people... [through] specific political, social and cultural initiatives aimed at reinforcing the concept of rule of law in the country, improving the behaviour of younger generations by educating them to respect the law through the daily observance of shared rules.”<sup>336</sup> Italian support for the project was announced on International Anti-Corruption Day.<sup>337</sup>

Italy has taken steps to reaffirm its commitment to the global anti-corruption agenda and has also made an effort to help other countries do the same. Therefore, Italy has scored 0 for partial compliance.

*Analyst: Saambavi Mano*

#### **Japan: 0**

Japan has partially complied with its commitment to advance the global anti-corruption agenda.

On 30 June 2016, the Organisation for Economic Co-operation and Development (OECD) published statements “admonishing”<sup>338</sup> Japan for its lack of effort in combating bribery, particularly that of Japanese companies conducting international business. Chair of the OECD Working Group on Bribery, Drago Kos, stressed the importance of Japan’s anti-corruption efforts given its crucial role in the world economy, and warned of the negative consequences that would occur as a result of

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<sup>334</sup> International Anti-Corruption Day 2016, Farnesina, Ministero degli Affari Esteri e della Cooperazione Internazionale. 9 December 2016. Date of Access: 11 April 2017.

[http://www.esteri.it/mae/en/sala\\_stampa/archivionotizie/approfondimenti/2016/12/giornata-internazionale-anticorruzione.html](http://www.esteri.it/mae/en/sala_stampa/archivionotizie/approfondimenti/2016/12/giornata-internazionale-anticorruzione.html)

<sup>335</sup> International Anti-Corruption Day 2016, Farnesina, Ministero degli Affari Esteri e della Cooperazione Internazionale. 9 December 2016. Date of Access: 11 April 2017.

[http://www.esteri.it/mae/en/sala\\_stampa/archivionotizie/approfondimenti/2016/12/giornata-internazionale-anticorruzione.html](http://www.esteri.it/mae/en/sala_stampa/archivionotizie/approfondimenti/2016/12/giornata-internazionale-anticorruzione.html)

<sup>336</sup> Guatemala - Italian Government supports project to promote legality, Farnesina, Ministero degli Affari Esteri e della Cooperazione Internazionale. 15 December 2016. Date of Access: 11 April 2017.

[http://www.esteri.it/mae/en/sala\\_stampa/archivionotizie/approfondimenti/2016/12/guatemala-contributo-governo-italiano.html](http://www.esteri.it/mae/en/sala_stampa/archivionotizie/approfondimenti/2016/12/guatemala-contributo-governo-italiano.html)

<sup>337</sup> Guatemala - Italian Government supports project to promote legality, Farnesina, Ministero degli Affari Esteri e della Cooperazione Internazionale. 15 December 2016. Date of Access: 11 April 2017.

[http://www.esteri.it/mae/en/sala\\_stampa/archivionotizie/approfondimenti/2016/12/guatemala-contributo-governo-italiano.html](http://www.esteri.it/mae/en/sala_stampa/archivionotizie/approfondimenti/2016/12/guatemala-contributo-governo-italiano.html)

<sup>338</sup> OECD Criticizes Japan for Leniency in Combatting Foreign Bribery, Paul Weiss (Tokyo) 20 July 2016. Date of Access: 20 November 2016. <https://www.paulweiss.com/practices/litigation/litigation/publications/oecd-criticizes-japan-for-leniency-in-combatting-foreign-bribery.aspx?id=22240>.

“continued failure”<sup>339</sup> in fulfilling the Working Group’s suggestions, which include creating an “Action Plan”<sup>340</sup> to organize law enforcement so as to better handle corruption. In response to the OECD’s criticism, which echoes statements made in previous years, Japan expressed its commitment to the “global fight against corruption,”<sup>341</sup> and the OECD itself plans to follow up with another evaluation of Japan in March 2019.<sup>342</sup>

On 15 July 2016, the Japan Federation of Bar Associations (JFBA) issued a new set of anti-corruption guidelines as a framework for companies to better ensure compliance with anti-bribery laws both domestic and foreign.<sup>343</sup> These guidelines, supplementing the statements issued a year prior by the Ministry of Economy, Trade and Industry<sup>344</sup> aim to increase overall fiscal transparency by 1) encouraging companies to implement their own “internal control system”<sup>345</sup> to “better detect and prevent bribery,”<sup>346</sup> including a specific emphasis on accurately recording “relevant commercial activity and transactions”;<sup>347</sup> and 2) by promoting greater involvement in the anti-corruption agenda on part of lawyers and related legal counsel, providing a “practical”<sup>348</sup> approach which can be used to advise companies on how to best conduct their businesses abroad in compliance with anti-corruption laws.<sup>349</sup>

On 23 August 2016, the JFBA announced the establishment of a relief fund for victims of embezzlement by “fraudulent lawyers.”<sup>350</sup> The relief fund, to be implemented starting in April 2017,

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<sup>339</sup> Japan Must Make Fighting International Bribery a Priority, Organization for Economic Cooperation and Development (Tokyo) 30 June 2016. Date of Access: 20 November 2016. <http://www.oecd.org/corruption/japan-must-make-fighting-international-bribery-a-priority.htm>.

<sup>340</sup> Japan Must Make Fighting International Bribery a Priority, Organization for Economic Cooperation and Development (Tokyo) 30 June 2016. Date of Access: 20 November 2016. <http://www.oecd.org/corruption/japan-must-make-fighting-international-bribery-a-priority.htm>.

<sup>341</sup> Japan Must Make Fighting International Bribery a Priority, Organization for Economic Cooperation and Development (Tokyo) 30 June 2016. Date of Access: 20 November 2016. <http://www.oecd.org/corruption/japan-must-make-fighting-international-bribery-a-priority.htm>.

<sup>342</sup> OECD Criticizes Japan for Leniency in Combatting Foreign Bribery, Paul Weiss (Tokyo) 20 July 2016. Date of Access: 20 November 2016. <https://www.paulweiss.com/practices/litigation/litigation/publications/oecd-criticizes-japan-for-leniency-in-combatting-foreign-bribery.aspx?id=22240>.

<sup>343</sup> Top Ten International Anti-Corruption Developments for July 2016, Morrison & Foerster LLP (London) 29 August 2016. Date of Access: 3 November 2016. <http://www.lexology.com/library/detail.aspx?g=8944ba11-a1e8-416f-b705-5977cc386b07>.

<sup>344</sup> Japanese Bar Association Publishes New Guidance on Foreign Bribery Prevention, Hogan Lovells (London, Washington D.C.) 3 August 2016. Date of Access: 3 November 2016. [http://www.hoganlovells.com/en/publications/client-alert\\_japanese-bar-association-publishes-new-guidance-on-foreign-bribery-prevention](http://www.hoganlovells.com/en/publications/client-alert_japanese-bar-association-publishes-new-guidance-on-foreign-bribery-prevention).

<sup>345</sup> Guidance on Prevention of Foreign Bribery, Japan Federation of Bar Associations (JFBA) (Tokyo) 15 July 2016. Date of Access: 3 November 2016. <http://www.nichibenren.or.jp/en/document/opinionpapers/20160715.html>.

<sup>346</sup> Japanese Bar Association Publishes New Guidance on Foreign Bribery Prevention, Hogan Lovells (London, Washington D.C.) 3 August 2016. Date of Access: 3 November 2016. [http://www.hoganlovells.com/en/publications/client-alert\\_japanese-bar-association-publishes-new-guidance-on-foreign-bribery-prevention](http://www.hoganlovells.com/en/publications/client-alert_japanese-bar-association-publishes-new-guidance-on-foreign-bribery-prevention).

<sup>347</sup> Japanese Bar Association Publishes New Guidance on Foreign Bribery Prevention, Hogan Lovells (London, Washington D.C.) 3 August 2016. Date of Access: 3 November 2016. [http://www.hoganlovells.com/en/publications/client-alert\\_japanese-bar-association-publishes-new-guidance-on-foreign-bribery-prevention](http://www.hoganlovells.com/en/publications/client-alert_japanese-bar-association-publishes-new-guidance-on-foreign-bribery-prevention).

<sup>348</sup> Guidance on Prevention of Foreign Bribery, Japan Federation of Bar Associations (Tokyo) 15 July 2016. Date of Access: 3 November 2016. <http://www.nichibenren.or.jp/en/document/opinionpapers/20160715.html>.

<sup>349</sup> Guidance on Prevention of Foreign Bribery, Japan Federation of Bar Associations (Tokyo) 15 July 2016. Date of Access: 3 November 2016. <http://www.nichibenren.or.jp/en/document/opinionpapers/20160715.html>.

<sup>350</sup> Miako Ichikawa, As More Lawyers Embezzle Assets, Relief Fund Eyed for Victims, The Asahi Shimbun (Tokyo) 23 August 2016. Date of Access: 10 November 2016. <http://www.asahi.com/ajw/articles/AJ201608230053.html>.

is being created in response to a “growing problem”<sup>351</sup> in the country where many legal professionals, particularly lawyers, are abusing the “guardian of adult system,”<sup>352</sup> in which they are court-appointed to oversee and manage the “assets of senior citizens deemed unfit to make sound judgments because of dementia or other problems.”<sup>353</sup> By establishing the fund, the JFBA is aiming to “restore public faith”<sup>354</sup> through increasing transparency in the legal system, especially the adult guardian system, and to hold lawyers who are either “found guilty of embezzlement in court” or have received “disciplinary action from their bar associations” more accountable for their financial crimes by entitling their victims to compensation money of up to JPY5 million.<sup>355</sup>

On 30 September 2016, the Ministry of Foreign Affairs (MOFA) released a press statement announcing the signing of a tax convention between Japan and Slovenia.<sup>356</sup> The convention aims to foster a closer, more transparent economic relationship between the two countries by 1) clarifying “taxation on cross-border investments”;<sup>357</sup> 2) “adjusting international double taxation”<sup>358</sup> by clarifying the “taxable scope”<sup>359</sup> in the two countries; and 3) introducing new dispute resolution methods such as “arbitration proceedings”<sup>360</sup> for tax authorities. All of the points outlined in the Convention are to promote more effective cooperation and information exchange between Japan and Slovenia, helping them to not only prevent tax evasion, but also encourage mutual investments and economic activity.<sup>361</sup> The convention is to become applicable on the taxable period starting on 1 January 2017 in both countries.<sup>362</sup>

On 18 November 2016, the Osaka Prefectural Police established a new 140-person “emergency unit”<sup>363</sup> to combat recent “proliferation of fraud cases.”<sup>364</sup> The establishment of the new specialized force comes after the National Police Agency published reports at the end of October detailing the number of cases and extent of the monetary damage fraud has caused in the year to date — the reports show a worsening compared to last year’s, and place Osaka as having the largest amount of

<sup>351</sup> Miako Ichikawa, As More Lawyers Embezzle Assets, Relief Fund Eyed for Victims, The Asahi Shimbun (Tokyo) 23 August 2016. Date of Access: 10 November 2016. <http://www.asahi.com/ajw/articles/AJ201608230053.html>.

<sup>352</sup> Miako Ichikawa, As More Lawyers Embezzle Assets, Relief Fund Eyed for Victims, The Asahi Shimbun (Tokyo) 23 August 2016. Date of Access: 10 November 2016. <http://www.asahi.com/ajw/articles/AJ201608230053.html>.

<sup>353</sup> Miako Ichikawa, As More Lawyers Embezzle Assets, Relief Fund Eyed for Victims, The Asahi Shimbun (Tokyo) 23 August 2016. Date of Access: 10 November 2016. <http://www.asahi.com/ajw/articles/AJ201608230053.html>.

<sup>354</sup> Miako Ichikawa, As More Lawyers Embezzle Assets, Relief Fund Eyed for Victims, The Asahi Shimbun (Tokyo) 23 August 2016. Date of Access: 10 November 2016. <http://www.asahi.com/ajw/articles/AJ201608230053.html>.

<sup>355</sup> Miako Ichikawa, As More Lawyers Embezzle Assets, Relief Fund Eyed for Victims, The Asahi Shimbun (Tokyo) 23 August 2016. Date of Access: 10 November 2016. <http://www.asahi.com/ajw/articles/AJ201608230053.html>.

<sup>356</sup> Signing of the Tax Convention between Japan and Slovenia, Ministry of Foreign Affairs of Japan (Tokyo) 30 September 2016. Date of Access: 30 November 2016. [http://www.mofa.go.jp/press/release/press4e\\_001288.html](http://www.mofa.go.jp/press/release/press4e_001288.html).

<sup>357</sup> Signing of the Tax Convention between Japan and Slovenia, Ministry of Foreign Affairs of Japan (Tokyo) 30 September 2016. Date of Access: 30 November 2016. [http://www.mofa.go.jp/press/release/press4e\\_001288.html](http://www.mofa.go.jp/press/release/press4e_001288.html).

<sup>358</sup> Signing of the Tax Convention between Japan and Slovenia, Ministry of Foreign Affairs of Japan (Tokyo) 30 September 2016. Date of Access: 30 November 2016. [http://www.mofa.go.jp/press/release/press4e\\_001288.html](http://www.mofa.go.jp/press/release/press4e_001288.html).

<sup>359</sup> Tax Convention with Slovenia was Signed, Ministry of Finance of Japan (Tokyo) 30 September 2016. Access date: 30 November 2016. [http://www.mof.go.jp/english/tax\\_policy/tax\\_conventions/press\\_release/20160930si.htm](http://www.mof.go.jp/english/tax_policy/tax_conventions/press_release/20160930si.htm).

<sup>360</sup> Signing of the Tax Convention between Japan and Slovenia, Ministry of Foreign Affairs of Japan (Tokyo) 30 September 2016. Date of Access: 30 November 2016. [http://www.mofa.go.jp/press/release/press4e\\_001288.html](http://www.mofa.go.jp/press/release/press4e_001288.html).

<sup>361</sup> Tax Convention with Slovenia was Signed, Ministry of Finance of Japan (Tokyo) 30 September 2016. Date of Access: 30 November 2016. [http://www.mof.go.jp/english/tax\\_policy/tax\\_conventions/press\\_release/20160930si.htm](http://www.mof.go.jp/english/tax_policy/tax_conventions/press_release/20160930si.htm).

<sup>362</sup> Tax Convention with Slovenia was Signed, Ministry of Finance of Japan (Tokyo) 30 September 2016. Date of Access: 30 November 2016. [http://www.mof.go.jp/english/tax\\_policy/tax\\_conventions/press\\_release/20160930si.htm](http://www.mof.go.jp/english/tax_policy/tax_conventions/press_release/20160930si.htm).

<sup>363</sup> Osaka Cops Form Special Task Force to Combat Fraud, The Japan Times (Tokyo) 18 November 2016. Date of Access: 20 November 2016. <http://www.japantimes.co.jp/news/2016/11/18/national/crime-legal/osaka-cops-form-special-task-force-combat-spike-fraud/#.WDJUQrIrlLmd>.

<sup>364</sup> Osaka Cops Form Special Task Force to Combat Fraud, The Japan Times (Tokyo) 18 November 2016. Date of Access: 20 November 2016. <http://www.japantimes.co.jp/news/2016/11/18/national/crime-legal/osaka-cops-form-special-task-force-combat-spike-fraud/#.WDJUQrIrlLmd>.

stolen money compared to the other 46 prefectures in Japan.<sup>365</sup> The emergency team hopes to increase law enforcement cooperation in anti-corruption efforts by tackling issues that were previously not addressed “sufficiently”<sup>366</sup> due to a lack of available manpower, such as “tracing the bases of fraud groups”<sup>367</sup> and raising exposure to the public of names found on fraud lists.<sup>368</sup>

Japan has taken steps to affirm its continued commitment to combating corruption, with actions both domestically and abroad. Thus, Japan has been awarded a score of 0 for partial compliance.

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### **United Kingdom: 0**

The United Kingdom has partially complied with its commitment to moving the global anti-corruption agenda forward.

On 5 September 2016, the Law Commission, the statutory independent body responsible for keeping the law under review and making recommendations for reform to Parliament where needed,<sup>369</sup> released a Consultation Paper intended to review the current law on misconduct in public office.<sup>370</sup> It criticizes the current law as unclear and insufficient on many fronts.<sup>371</sup> It proposed three efforts for reform: first, a new offence based on the breach of duty committed by a public office holder; second, a new offence based on the abuse of power, authority, or position held by a public office holder; and third, the abolition of the current law with no immediate replacement; while this latter route is not heavily endorsed, it is still addressed fully.<sup>372</sup>

On 13 October 2016, the Criminal Finances Bill was introduced to the House of Commons.<sup>373</sup> The bill will give British law enforcement officers the ability to seize assets suspected of being connected to the proceeds of crime if the owners are unable to prove legitimate origin of wealth.<sup>374</sup> This bill aims to tackle both domestic and international corruption, further enhancing barriers against foreign money laundering in the British real estate market. The Criminal Finances Bill is part of a larger

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<sup>365</sup> Osaka Cops Form Special Task Force to Combat Fraud, The Japan Times (Tokyo) 18 November 2016. Date of Access: 20 November 2016. <http://www.japantimes.co.jp/news/2016/11/18/national/crime-legal/osaka-cops-form-special-task-force-combat-spike-fraud/#.WDJUQrIrLmd>.

<sup>366</sup> Osaka Cops Form Special Task Force to Combat Fraud, The Japan Times (Tokyo) 18 November 2016. Date of Access: 20 November 2016. <http://www.japantimes.co.jp/news/2016/11/18/national/crime-legal/osaka-cops-form-special-task-force-combat-spike-fraud/#.WDJUQrIrLmd>.

<sup>367</sup> Osaka Cops Form Special Task Force to Combat Fraud, The Japan Times (Tokyo) 18 November 2016. Date of Access: 20 November 2016. <http://www.japantimes.co.jp/news/2016/11/18/national/crime-legal/osaka-cops-form-special-task-force-combat-spike-fraud/#.WDJUQrIrLmd>.

<sup>368</sup> Osaka Cops Form Special Task Force to Combat Fraud, The Japan Times (Tokyo) 18 November 2016. Date of Access: 20 November 2016. <http://www.japantimes.co.jp/news/2016/11/18/national/crime-legal/osaka-cops-form-special-task-force-combat-spike-fraud/#.WDJUQrIrLmd>.

<sup>369</sup> About us, Law Commission (London). Date of Access: 11 November 2016. <http://www.lawcom.gov.uk/about/>.

<sup>370</sup> Reforming Misconduct in Public Office: A Consultation Paper, Law Commission (London) 5 September 2016. Date of Access: 10 November 2016. [http://www.lawcom.gov.uk/wp-content/uploads/2016/09/cp229\\_misconduct\\_in\\_public\\_office.pdf](http://www.lawcom.gov.uk/wp-content/uploads/2016/09/cp229_misconduct_in_public_office.pdf).

<sup>371</sup> Reforming Misconduct in Public Office: A Consultation Paper, Law Commission (London) 5 September 2016. Date of Access: 10 November 2016. [http://www.lawcom.gov.uk/wp-content/uploads/2016/09/cp229\\_misconduct\\_in\\_public\\_office.pdf](http://www.lawcom.gov.uk/wp-content/uploads/2016/09/cp229_misconduct_in_public_office.pdf)

<sup>372</sup> Corporate Crime Update, Lexology (London) 27 October 2016. Date of Access: 10 November 2016. <http://www.lexology.com/library/detail.aspx?g=ac59989b-4c8a-458f-b2e9-e7705bcc80fc>.

<sup>373</sup> Criminal Finances Bill, Home Office Gov.UK (London) 13 October 2016. Date of Access: 13 October 2016. <https://www.gov.uk/government/collections/criminal-finances-bill>.

<sup>374</sup> UK introduces Criminal Finances Bill to tackle money laundering, corruption, Deutsche Welle (Berlin) 13 October 2016. Date of Access: 13 October 2016. <http://www.dw.com/en/uk-introduces-criminal-finances-bill-to-tackle-money-laundering-corruption/a-36036848>.



package aimed at “strengthening the government’s response to money laundering”<sup>375</sup> which includes “reforming the Suspicious Activity Report”<sup>376</sup> and “increasing ... international reach through events like the Anti-Corruption Summit”<sup>377</sup> to build cooperation with overseas partners, reflecting the international nature of the issue.<sup>378</sup>

On 11 November 2016, British police launched a full investigation into allegations of corruption against the English Football Association that were brought forward by an investigative report published by the Daily Telegraph in September.<sup>379</sup> The allegations have already caused the resignation of Sam Allardyce as the national team manager.<sup>380</sup> A further eight current or previous players are involved in these allegations among several other front office employees.<sup>381</sup>

On 13 July 2016, the Serious Fraud Office (SFO) of the United Kingdom pressed charges against F.H. Bertling, a UK-based logistics and shipping company, along with seven of its current and former executives for making corrupt payments.<sup>382</sup> Specifically, the indicted were charged with allegedly bribing an official of Sonangol, an Angolan state oil company, to further their company’s businesses operations in the Republic of Angola.<sup>383</sup> The case was accepted by the SFO in September 2014 but charges were not laid until July of 2016.<sup>384</sup>

On 29 November 2016, the United Kingdom announced that it will ratify the Unified Patent Court Agreement, emphasizing that it will not be derailed by Brexit.<sup>385</sup> The Unified Patent Court is designed to provide a system of patent protection that is universal across Europe, with the aim of combating financial crime in this sector.<sup>386</sup> The agreement requires all 13 countries to ratify before the plans can move forward; they are still waiting on Germany who is expected to ratify by early

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<sup>375</sup> Criminal Finances Bill, Home Office (London) 13 October 2016. Date of Access: 13 October 2016. <https://www.gov.uk/government/collections/criminal-finances-bill>.

<sup>376</sup> Criminal Finances Bill, Home Office (London) 13 October 2016. Date of Access: 13 October 2016. <https://www.gov.uk/government/collections/criminal-finances-bill>.

<sup>377</sup> Criminal Finances Bill, Home Office (London) 13 October 2016. Date of Access: 13 October 2016. <https://www.gov.uk/government/collections/criminal-finances-bill>.

<sup>378</sup> Criminal Finances Bill, Home Office (London) 13 October 2016. Date of Access: 13 October 2016. <https://www.gov.uk/government/collections/criminal-finances-bill>.

<sup>379</sup> UK Police Launch Investigation into Suspected Football Corruption (Nicosia) 11 November 2016. Date of Access: 14 November 2016. <http://cyprus-mail.com/2016/11/11/uk-police-launch-investigation-suspected-football-corruption/>.

<sup>380</sup> UK Police Launch Investigation into Suspected Football Corruption, Cyprus Mail (Nicosia) 11 November 2016. Date of Access: 14 November 2016. <http://cyprus-mail.com/2016/11/11/uk-police-launch-investigation-suspected-football-corruption/>.

<sup>381</sup> UK Police Launch Investigation into Suspected Football Corruption, Cyprus Mail (Nicosia) 11 November 2016. Date of Access: 14 November 2016. <http://cyprus-mail.com/2016/11/11/uk-police-launch-investigation-suspected-football-corruption/>.

<sup>382</sup> UK-Based Company and Seven Individuals Charged in the UK with Bribery Surrounding Angola Operations, Lexology (London) 15 July 2016. Date of Access: 30 November 2016. <http://www.lexology.com/library/detail.aspx?g=e6595cdf-5402-4a65-85b9-e76899910f8a>.

<sup>383</sup> F.H. Bertling Ltd and Seven Individuals Charged with Bribery, Serious Fraud Office (London) 13 July 2016. Date of Access: 30 November 2016. <https://www.sfo.gov.uk/2016/07/13/f-h-bertling-ltd-seven-individuals-charged-bribery/>.

<sup>384</sup> UK-Based Company and Seven Individuals Charged in the UK with Bribery Surrounding Angola Operations, Lexology (London) 15 July 2016. Date of Access: 30 November 2016. <http://www.lexology.com/library/detail.aspx?g=e6595cdf-5402-4a65-85b9-e76899910f8a>.

<sup>385</sup> UK Announces Intention to Ratify the Unified Patent Court Agreement, Lexology (London) 30 November 2016. Date of Access: 30 November 2016. <http://www.lexology.com/library/detail.aspx?g=082112cc-6cda-4179-9679-c49acfa2f049>.

<sup>386</sup> UK Announces Intention to Ratify the Unified Patent Court Agreement, Lexology (London) 30 November 2016. Date of Access: 30 November 2016. <http://www.lexology.com/library/detail.aspx?g=082112cc-6cda-4179-9679-c49acfa2f049>.

2017.<sup>387</sup> There are still logistical issues that need to be resolved concerning Britain's eventual implementation of Brexit.<sup>388</sup>

The United Kingdom has taken some action individually that aligns with the goals of the Declaration Against Corruption and the Organisation for Economic Co-operation and Development's Anti-Bribery Ministerial Meeting declaration. It has not complied with the other aspects of this commitment. Thus, it has earned a score of 0.

**United States: +1**

The United States has fully complied with its commitment to promote and advance priorities on global anti-corruption.

On 15 June 2016, US Vice President Joe Biden announced in Washington that the White House plans to invest USD 220 million in financial assistance to Ukraine this year in support of Ukrainian Prime Minister Volodymyr Groysman's reform agenda, which includes implementing anti-corruption reforms.<sup>389</sup> These funds will particularly go towards strengthening Ukraine's justice sector, including "expanding their partnerships with the National Anti-Corruption Bureau, Specialized Anti-Corruption Prosecutor's Office, and National Police, as well as support for independent media and civil society."<sup>390</sup>

On 1 September 2016, US Agency for International Development (USAID) launched a joint anti-corruption project with the Indonesian Ministry of Law and Human Rights titled CEGAH (meaning "prevent" in Indonesian),<sup>391</sup> a five-year, USD20.8 million program designed to strengthen Indonesia's anti-corruption efforts.<sup>392</sup> "Through our work together, we hope to advance transparency, accountability, fairness, and justice,"<sup>393</sup> stated USAID Mission Director Erin McKee. CEGAH aims to "support the integration of anti-corruption initiatives across government agencies, build the capacity of government auditors and investigators to evaluate the effectiveness of flagship government programs ... and work with Central Statistical Offices and the media to fully utilize available government data."<sup>394</sup> Overall, the CEGAH project aims to prevent corruption by "providing ongoing

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<sup>387</sup> UK Announces Intention to Ratify the Unified Patent Court Agreement, Lexology (London) 30 November 2016. Date of Access: 30 November 2016. <http://www.lexology.com/library/detail.aspx?g=082112cc-6cda-4179-9679-c49acfa2f049>.

<sup>388</sup> UK Announces Intention to Ratify the Unified Patent Court Agreement, Lexology (London) 30 November 2016. Date of Access: 30 November 2016. <http://www.lexology.com/library/detail.aspx?g=082112cc-6cda-4179-9679-c49acfa2f049>.

<sup>389</sup> Fact Sheet: U.S. Assistance to Ukraine since February 2014, The White House Office of the Press Secretary (Washington D.C.) 15 June 2016. Date of Access: 13 November 2016. <https://www.whitehouse.gov/the-press-office/2016/06/15/fact-sheet-us-assistance-ukraine-february-2014>.

<sup>390</sup> Fact Sheet: U.S. Assistance to Ukraine since February 2014, The White House Office of the Press Secretary (Washington, D.C.) 15 June 2016. Date of Access: 13 November 2016. <https://www.whitehouse.gov/the-press-office/2016/06/15/fact-sheet-us-assistance-ukraine-february-2014>.

<sup>391</sup> Continuing a Strong Partnership with Indonesia, Management Systems International (Arlington) 1 March 2016. Date of Access: 5 November 2016. <http://www.msiworldwide.com/2016/03/continuing-a-strong-partnership-with-indonesia>.

<sup>392</sup> New Partnership to Support Indonesia's Anti-Corruption Efforts, U.S. Agency for International Development (Washington, D.C.) 1 September 2016. Date of Access: 3 November 2016. <https://www.usaid.gov/indonesia/press-releases/sep-1-2016-new-partnership-supports-indonesias-anti-corruption>.

<sup>393</sup> New Partnership to Support Indonesia's Anti-Corruption Efforts, U.S. Agency for International Development (Washington, D.C.) 1 September 2016. Date of Access: 3 November 2016. <https://www.usaid.gov/indonesia/press-releases/sep-1-2016-new-partnership-supports-indonesias-anti-corruption>.

<sup>394</sup> Continuing a Strong Partnership with Indonesia, Management Systems International (Arlington) 1 March 2016. Date of Access: 5 November 2016. <http://www.msiworldwide.com/2016/03/continuing-a-strong-partnership-with-indonesia>.

support to government and civil society to create systems that decrease opportunities for corruption.”<sup>395</sup>

On 3 September 2016, President Barack Obama and President Xi Jinping of China committed to strengthening their cooperation in law enforcement and anti-corruption at the G20 Hangzhou Summit. The two sides agreed to further enhance cooperation in anti-corruption initiatives under multilateral frameworks such as the United Nations Convention against Corruption (UNCAC), as well as “deny safe haven to the corrupt and their criminal proceeds, continue to implement the 2014 APEC Beijing Declaration on Fighting Corruption, and support the work of the Network of Anti-Corruption Authorities and Law Enforcement Agencies (ACT-NET).”<sup>396</sup>

On 29 September 2016, USAID announced a USD1 billion loan guarantee to support the Ukraine’s key economic and governance reforms, including reforms to help the Ukraine fight corruption.<sup>397</sup> “This loan guarantee and USAID’s ongoing assistance in the Ukraine will bolster the process of implementing meaningful reforms and facilitate efforts to combat corruption and build a more independent, democratic, and financially viable and prosperous Ukraine,”<sup>398</sup> stated USAID Administrator Gayle Smith.

On 3 November 2016, Greg Delawie, US ambassador to Kosovo, urged Kosovo leaders to tackle corruption at the UK/ US Kosovo Trade and Investment Forum. Ambassador Delawie announced that the United States government will help Kosovo combat corruption by investing, over the next year, “over [USD]12 million in development aid and expertise focused on the rule of law.”<sup>399</sup> Delawie further assured Kosovo leaders of Washington’s commitment to anti-corruption, stating that, “as in other developing countries, corruption remains a significant challenge, and something that I and my government have made a top focus of our diplomatic efforts and our assistance programs.”<sup>400</sup>

The United States has worked with governments to strengthen law enforcement cooperation on corruption, enhance fiscal transparency, bolster anti-corruption capacity building support, and promote the global effort to fight corruption through multilateral frameworks such as the UNCAC. As such, it receives a score of +1.

*Analyst: Duja Muhanna*

### **European Union: +1**

The European Union fully complied with its commitment to moving the global anti-corruption agenda forward.

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<sup>395</sup> New Partnership to Support Indonesia’s Anti-Corruption Efforts, U.S. Agency for International Development (Washington, D.C.) 1 September 2016. Date of Access: 3 November 2016. <https://www.usaid.gov/indonesia/press-releases/sep-1-2016-new-partnership-supports-indonesias-anti-corruption>.

<sup>396</sup> Chinese Outcome List of the Meeting Between Chinese and US Presidents in Hangzhou, Global Times (Beijing) 4 September 2016. Date of Access: 20 November 2016. <http://www.globaltimes.cn/content/1004636.shtml>.

<sup>397</sup> USAID Announces U.S. Issuance of \$1 billion Loan Guarantee to the Government of Ukraine, USAID Press Office (Washington, D.C.) 30 September 2016. Date of Access: 20 November 2016. <https://www.usaid.gov/news-information/press-releases/sep-30-2016-usaid-announces-us-issuance-1-billion-loan-guarantee-government-ukraine>.

<sup>398</sup> USAID Announces U.S. Issuance of \$1 billion Loan Guarantee to the Government of Ukraine, USAID Press Office (Washington, D.C.) 30 September 2016. Date of Access: 20 November 2016. <https://www.usaid.gov/news-information/press-releases/sep-30-2016-usaid-announces-us-issuance-1-billion-loan-guarantee-government-ukraine>.

<sup>399</sup> Address by Ambassador Greg Delawie at UK/U.S.-Kosovo Trade & Investment Forum, U.S. Embassy (Pristina) 3 November 2016. Date of Access: 28 November 2016. <https://xk.usembassy.gov/trade-investment-forum/>.

<sup>400</sup> Address by Ambassador Greg Delawie at UK/U.S.-Kosovo Trade & Investment Forum, U.S. Embassy (Pristina) 3 November 2016. Date of Access: 28 November 2016. <https://xk.usembassy.gov/trade-investment-forum/>.

On 14 June 2016, the EU-Ghana Anti-Corruption, Rule of Law and Accountability Programme (ARAP) was established.<sup>401</sup> This partnership is a five-year programme spanning EUR20 million aimed at supporting the National Anti-Corruption Action Plan of Ghana. The key objective of ARAP is to increase the capacity of civic education providers, such as the National Commission on Civic Education and the media, in order to conduct advocacy campaigns for better accountability and a reduction in corruption. A secondary objective of the programme is to strengthen law enforcement agencies in combating corruption.<sup>402</sup>

On 29 June 2016, the European Parliament Intergroup for Integrity, Transparency, Corruption and Organized Crime (ITCO) announced in a press statement that it will continue to push for protection for whistleblowers.<sup>403</sup> This statement came as a response to the guilty verdict of Antoine Deltour, who had been served a 12-month suspended sentence for speaking out about the tax deals between the state of Luxembourg and large corporations. Benedek Javor, an ITCO intergroup Bureau Member who was present at the time of the verdict, said, “We remind the European Commission to urgently act to protect European citizens who have the courage to take huge personal risks for the common good. We expect a legislative proposal this year.”<sup>404</sup> The ITCO intergroup has also called for transparency registers for lobbyists in a press statement released on 28 September 2016.<sup>405</sup> In the press statement, ITCO Co-President Dennis de Jong reinforces the importance of reliable information from lobbyists, and in cases of fraud, “sanctions based on criminal law should be imposed.”<sup>406</sup>

On 5 July 2016, the European Commission adopted a proposal that would update the Fourth Anti-Money Laundering Directive and therefore “further reinforce EU rules on anti-money laundering to counter terrorist financing and increase transparency about who really owns companies and trusts.”<sup>407</sup> This particular proposal will also be the first initiative to implement the February 2016 Action Plan for strengthening the fight against terrorist financing and will also tackle tax transparency issues. First Vice-President Frans Timmermans said in the press statement, “Today’s proposals will help national authorities to track down people who hide their finances in order to commit crimes such as terrorism. Member States will be able to get and share vital information about who really owns companies or trusts, who is dealing in online currencies, and who is using pre-paid cards. Making public the information on who is behind companies and trusts should also be a strong deterrent for potential

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<sup>401</sup> EU-Ghana Anti-Corruption, Rule of Law and Accountability Programme (ARAP) launched in Accra, European External Action Service (Belgium) 16 June 2016. Date of Access: 20 November 2016.

[https://eeas.europa.eu/headquarters/headquarters-homepage/4351/eu-ghana-anti-corruption-rule-of-law-and-accountability-programme-arap-launched-in-accra\\_fr](https://eeas.europa.eu/headquarters/headquarters-homepage/4351/eu-ghana-anti-corruption-rule-of-law-and-accountability-programme-arap-launched-in-accra_fr).

<sup>402</sup> Action Document for the Ghana Anti-Corruption, Rule of Law and Accountability Programme (Ghana-ARAP), European Union (Belgium) 2015. Date of Access: 20 November 2016.

[https://ec.europa.eu/europeaid/sites/devco/files/annex1-ad1-ghana-2015\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/annex1-ad1-ghana-2015_en.pdf).

<sup>403</sup> Cross party alliance within the European Parliament draws attention to urgent need to protect whistle-blowers across Europe, European Parliamentary Intergroup On Integrity, Transparency, Corruption And Organized Crime (Belgium) 29 June 2016. Date of Access: 2 November 2016.

<http://itcointergroup.eu/file/2014/11/20160628-ITCO-Press-statement-Deltour-Trial.pdf>.

<sup>404</sup> Cross party alliance within the European Parliament draws attention to urgent need to protect whistle-blowers across Europe, European Parliamentary Intergroup On Integrity, Transparency, Corruption And Organized Crime (Belgium) 29 June 2016. Date of Access: 2 November 2016.

<http://itcointergroup.eu/file/2014/11/20160628-ITCO-Press-statement-Deltour-Trial.pdf>.

<sup>405</sup> Proposal for a mandatory transparency register reflects ITCO input, European Parliamentary Intergroup On Integrity, Transparency, Corruption And Organized Crime (Belgium) 28 September 2016. Date of Access: 3 November 2016.

<http://itcointergroup.eu/file/2014/11/ITCO-Press-Statement-Transparency-Register-Final.pdf>.

<sup>406</sup> Proposal for a mandatory transparency register reflects ITCO input, European Parliamentary Intergroup On Integrity, Transparency, Corruption And Organized Crime (Belgium) 28 September 2016. Date of Access: 3 November 2016.

<http://itcointergroup.eu/file/2014/11/ITCO-Press-Statement-Transparency-Register-Final.pdf>.

<sup>407</sup> Commission strengthens transparency rules to tackle terrorism financing, tax avoidance and money laundering, European Commission Press Release Database (Strasbourg) 5 July 2016. Date of Access: 2 December 2016.

[http://europa.eu/rapid/press-release\\_IP-16-2380\\_en.htm](http://europa.eu/rapid/press-release_IP-16-2380_en.htm).

tax-evaders.”<sup>408</sup> The adopted proposal includes important updates to previous legislation such as tackling terrorist financing risks linked to virtual currencies, tackling risks linked to anonymous pre-paid instruments, full public access to the beneficial ownership registers, and the interconnection of said registers.

On 23 September 2016, the EU along with the Danish government announced a major anti-corruption initiative in Ukraine.<sup>409</sup> This program will be implemented by the Danish Development Cooperation Agency with the support of the EU Advisory Mission (EUAM) Ukraine, and is expected to be worth over EUR16 million. Already aided by EUAM, this specific program will seek to further assistance for Ukraine with regards to “strategic advice, training, provision of equipment and coordination with anti-corruption bodies in EU member states in order to share best practice.”<sup>410</sup>

On 28 September 2016, the European Commission released a press statement proposing a mandatory Transparency Register covering all three EU institutions: the European Parliament, the Council and the Commission itself. The proposal also includes an interinstitutional agreement, which seeks to implement a system ensuring the transparency of lobbying activities, while building on the existing voluntary Transparency Register of the Parliament and the Commission. Furthermore, the Commission’s proposal will clarify the “scope of activities and bodies covered, bolsters the monitoring and effective enforcement of the Register’s Code of Conduct for lobbyists and will simplify and improve the quality of data through streamlined input requirements and increased quality control.”<sup>411</sup>

On 5 October 2016, the Organisation for Economic Co-operation and Development and the Greek government, with the support of the EU, launched a collaborative project to help implement Greece’s National Anti-Corruption Action Plan.<sup>412</sup> This recently updated action plan seeks to “integrate effective measures to promote integrity within the government’s overall reform programme, enhance public-private sector cooperation on tackling fraud and corruption and raise public awareness of the negative impact of corruption for Greek society.”<sup>413</sup> The 18-month project has ten targeted outcomes and includes modernizing internal and external audit mechanisms, strengthening whistleblower protection, and enhancing the partnership between private and public sectors in combatting corruption.<sup>414</sup>

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<sup>408</sup> Commission strengthens transparency rules to tackle terrorism financing, tax avoidance and money laundering, European Commission Press Release Database (Strasbourg) 5 July 2016. Date of Access: 2 December 2016. [http://europa.eu/rapid/press-release\\_IP-16-2380\\_en.htm](http://europa.eu/rapid/press-release_IP-16-2380_en.htm).

<sup>409</sup> EU and Danish government announce major anti-corruption initiative in Ukraine, European External Action Service (Belgium) 23 September 2016. Date of Access: 20 November 2016. [https://eeas.europa.eu/headquarters/headquarters-homepage/10946/eu-and-danish-government-announce-major-anti-corruption-initiative-in-ukraine\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/10946/eu-and-danish-government-announce-major-anti-corruption-initiative-in-ukraine_en).

<sup>410</sup> EU and Danish government announce major anti-corruption initiative in Ukraine, European External Action Service (Belgium) 23 September 2016. Date of Access: 20 November 2016. [https://eeas.europa.eu/headquarters/headquarters-homepage/10946/eu-and-danish-government-announce-major-anti-corruption-initiative-in-ukraine\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/10946/eu-and-danish-government-announce-major-anti-corruption-initiative-in-ukraine_en).

<sup>411</sup> Delivering on transparency: Commission proposes mandatory Transparency Register for all EU institutions, European Commission Press Release Database (Brussels) 28 September 2016. Date of Access: 30 November 2016. [http://europa.eu/rapid/press-release\\_IP-16-3182\\_en.htm](http://europa.eu/rapid/press-release_IP-16-3182_en.htm).

<sup>412</sup> OECD and European Commission launch project to support Greece’s Anti-Corruption Action Plan, OECD (Paris) 5 October 2016. Date of Access: 3 November 2016. <http://www.oecd.org/corruption/oecd-and-european-commission-launch-project-to-support-greece-anti-corruption-action-plan.htm>.

<sup>413</sup> OECD and European Commission launch project to support Greece’s Anti-Corruption Action Plan, OECD (Paris) 5 October 2016. Date of Access: 3 November 2016. <http://www.oecd.org/corruption/oecd-and-european-commission-launch-project-to-support-greece-anti-corruption-action-plan.htm>.

<sup>414</sup> OECD and European Commission launch project to support Greece’s Anti-Corruption Action Plan, OECD (Paris) 5 October 2016. Date of Access: 3 November 2016. <http://www.oecd.org/corruption/oecd-and-european-commission-launch-project-to-support-greece-anti-corruption-action-plan.htm>.

On 16 November 2016, the EU partnered with Albania to establish the largest anti-corruption project in the Western Balkans.<sup>415</sup> Financed by the EU with an amount of EUR3 million, this twinning project will pair Albania with Austria and Germany, who will aid the nation in the coordination and implementation of anti-corruption policies. While Albania is not yet in the EU, this project will further the fight against corruption and aid Albania's accession efforts in the European Union.<sup>416</sup> This 29-month project will also help establish implementation of the Whistleblower Protection and Access to Information laws, in addition to improving oversight and control of political party finances and improving public intolerance of corruption.<sup>417</sup>

Thus, the European Union has been awarded a score of +1 for full compliance for enforcing and promoting anti-corruption legislation and efforts within its jurisdiction and abroad.

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<sup>415</sup> Albania and the EU united in the fight against corruption, European External Action Service (Tirana), 16 November 2016. Date of Access: 20 November 2016. [https://eeas.europa.eu/headquarters/headquarters-homepage/15120/albania-and-the-eu-united-in-the-fight-against-corruption\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/15120/albania-and-the-eu-united-in-the-fight-against-corruption_en).

<sup>416</sup> Twinning Against Corruption in Albania (Tirana). Date of Access: 20 November 2016. <http://www.acalbania.eu/en/>.

<sup>417</sup> Albania and the EU United in the Fight Against Corruption, Twinning Against Corruption In Albania (Tirana) 16 November 2016. Date of Access: 30 November 2016. <http://www.acalbania.eu/en/albania-and-the-eu-united-in-the-fight-against-corruption/>.