

How can we put proceeds of foreign bribery settlements to better use?



Sam Hickey

Working Paper 55:

Compensating the victims of foreign
bribery: UK legislation, practice and
recommended reforms

Swipe to find out





The UK is a global leader in efforts to **target foreign bribery**.



It is one of the only countries to use **deferred prosecution agreements (DPAs)** to resolve foreign bribery cases and extract penalties from corporations.



It has committed to using the proceeds of DPAs to **compensate victims of corruption**.



How is that commitment
to compensate victims
of corruption
working in practice?



Our Working Paper analyses
the UK's approach to
compensation in **foreign
bribery cases and
settlements.**

Cases like:



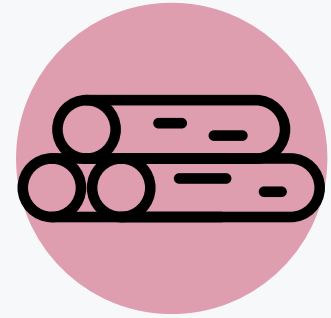
BAE Systems

Tanzania



Smith and Ouzman

Kenya, Mauritania



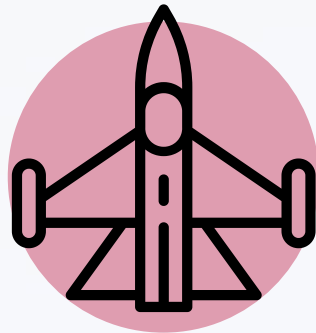
Sarclad

Across Asia



Standard Bank

Tanzania



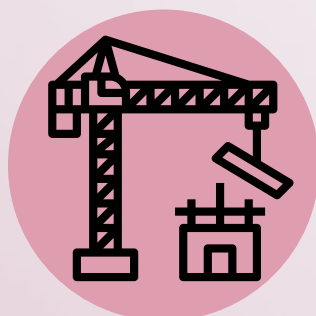
Rolls Royce

Nigeria, India, Russia,
Thailand, India, China,
Malaysia



Airbus

Indonesia



Amec Foster Wheeler Energy

Nigeria, Saudi Arabia, Malaysia, India, Brazil

Since the first DPA in 2014:



The infographic consists of two horizontal bars of different lengths, both in a dark red color. The left bar is significantly longer than the right bar. The background features a light gray grid with horizontal lines. The text is centered within each bar.

Category	Value
Fines	More than GBP 1.5 billion
Compensation	Just 1.4% of that paid to victims

**More than
GBP 1.5 billion
in fines**

**Just 1.4% of that
paid to victims
in compensation**

What are the obstacles?

Our analysis reveals, among others:



Use of principles governing **post-conviction compensation orders** that don't fit with DPAs.



A narrow and rigid approach to awarding compensation.

Our recommendations:

- 1** Define **responsibilities** regarding compensation.
- 2** Tip the balance towards **favouring compensation** based on the facts of each case.
- 3** Consider factors like the **value of a bribe** and **profit of the bribe giver** when calculating compensation.
- 4** Set up a **procedure** for victims, states and NGOs to request compensation.
- 5** Clarify legal concepts underlying compensation like **victim, remedies** and **harms**.
- 6** Consider **incentivising corporations** to pay compensation.

**No country should benefit
from the harmful behaviour
of its businesses abroad.**

This is a chance to:



Show leadership in the global fight against corruption.



Prevent criticisms of benefitting from corrupt practices.

And most importantly



Ameliorate the harm caused by corruption to vulnerable people.

Learn more:

Compensating the victims of foreign bribery: UK legislation, practice and recommended reforms

by Sam Hickey
Foreword by Andrew Dornbierer



baselgovernance.org/wp-55

