

Bribery Bill 2012
Second Reading approved

3.2. Mr Watterson to move:

That the Bribery Bill 2012 be read the second time.

The Speaker: We turn now to the Bribery Bill. I call on the mover, Mr Watterson.

Mr Watterson: Mr Speaker, in moving the Second Reading of the Bribery Bill, it is important to note its context and background. The Island has positioned itself as a co-operative jurisdiction and an international business centre that is responsive to the values and developing standards of the international community. It is good for business to be associated with a reputable jurisdiction, increasingly so in the financial climate.

In seeking to keep our legislation in line with international standards, it is recognised we need to be careful not to make our provisions over bureaucratic or onerous. Bribery or corruption is a major issue. This is why the international community, through organisations such as the United Nations Organisation for Economic Co-operation and Development (OECD), encourages all countries to enact legislation to make it a serious criminal offence to engage in such activities.

The Island enacted the Corruption Act in 2008, which was the same year as the IMF visited the Island to assess its compliance with the Financial Action Task Force (FATF) anti-money laundering recommendations and related international standards.

Since then, the goal posts have moved. The United Kingdom has enacted its own Bribery Act in 2010, and the UK's Act is seen as setting best practice in anti-bribery legislation, including the revised and strengthened FATF recommendations. It was felt that having legislation as similar to the UK's as possible would present less of a burden to business, as companies having any business relationship with the UK would already be aware of, and so should be complying with, the requirements of the UK Bribery Act when doing business off Island.

The principal difference between the Bill and our existing legislation is the introduction of an offence under which a relevant commercial organisation may be prosecuted for failing to prevent bribery, if a person associated with that organisation commits a bribery offence anywhere in the world for the benefit of the organisation. However, a commercial organisation will have a defence if it has adequate procedures in place to prevent such conduct taking place.

The Bill provides for guidance to be prepared and issued by the Department, setting out what might constitute adequate procedures. The other differences between this Bill and the Corruption Act 2008 are mainly due to the use of more modern drafting style.

Following a six-week consultation period, the Department considered the 16 responses it received. The OECD itself responded to the consultation and welcomed the Island's initiative in bringing forward this legislation. The Department had regard to its views and those of other respondents to the consultation process, and so the Bill differs from the UK's Bribery Act in some respects, because it retains three provisions from the Corruption Act 2008, which it otherwise repeals and replaces. This relates to the duty on public officials to report bribery and it sets the time limit for bribery prosecutions at up to 21 years from the date of the alleged offence. It also sets the maximum summary court financial penalty for certain bribery offences at £10,000, in line with the statutory maximum in Scotland, rather than the maximum summary fine of £5,000 in England and Wales.

Mr Speaker, I beg to move that the Second Reading of the Bribery Bill be approved.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

I beg to second, sir, and reserve my remarks.

The Speaker: Hon. Member for Ramsey, Mr Singer.

Mr Singer: Could I ask the Minister just for clarification? There is a section where if a resident on the Island does anything in a country or territory outside the Island, then the company can be prosecuted. What is the situation if the company has a representative abroad who is not a resident of the Island, but is offered a bribe?

The Speaker: I call on the mover to reply.

Mr Watterson: Thank you, Mr Speaker.

My understanding is that, in such circumstances, the *company* will still be held liable for the actions of their agent. That is my understanding of it. I will be happy to provide further clarification on that at the clauses stage if required, sir.

The Speaker: Hon. Members, I put the question that the Bribery Bill 2012 be read for the second time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.