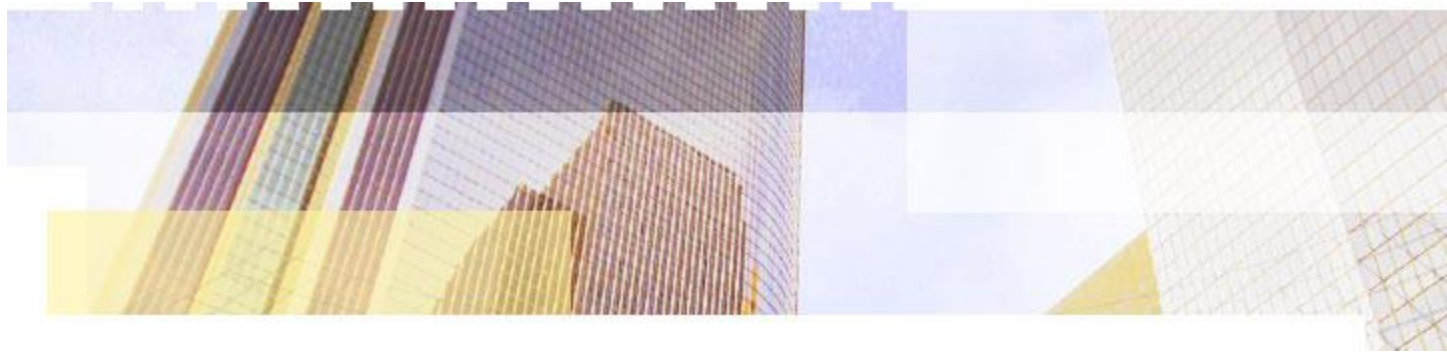


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The Foreign Corrupt Practices Act

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In an ever-increasing globalized market, corruption is a growing area of compliance concern for companies doing business around the world. The United States Department of Justice (“DOJ”) and the Securities and Exchange Commission (“SEC”) are fighting against corruption by investigating and prosecuting violators of the U.S. Foreign Corrupt Practices Act (“FCPA”).

Generally, the anti-bribery provisions prohibit paying, offering, promising, or authorizing the payment of money or anything of value, directly or indirectly, to any foreign official in order to obtain or keep business, or to secure an improper advantage.

The FCPA is a U.S. criminal statute that prohibits improper payments to, or other improper transactions with, non-U.S. officials to influence the performance of their official duties. Generally, the anti-bribery provisions prohibit paying, offering, promising, or authorizing the payment of money or anything of value, directly or indirectly, to any foreign official in order to obtain or keep business, or to secure an improper advantage. Under the FCPA, the definitions of “payment” and “foreign official” are considerably broad. The FCPA also contains accounting requirements to prevent practices intended to hide corrupt payments.

U.S. enforcement authorities apply the FCPA against U.S. companies and foreign companies which have a presence in the U.S. that cause an act to be done in furtherance of a corrupt payment (or offer, promise, or authorization to pay) by any person acting as the agent of that company. In recent years, the DOJ appears to be targeting non-U.S. companies for FCPA violations. For example, in the past two years, nearly half of the FCPA enforcement cases involved non-U.S. companies.

As a result, foreign companies operating in the U.S., including banks, must be aware that the

FCPA may directly affect their operations, and, therefore, should maintain effective anti-corruption programs in order to reduce the risk of violating the FCPA.



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