FCPA/Antibribery Alert

Further Delays to UK Bribery Act

February 3, 2011

On January 31, 2011, the U.K. government announced that it would delay implementation of its stringent new anticorruption legislation, the Bribery Act 2010.

The law was enacted in April 2010 by the previous Labour Party government, and, in several respects, its provisions significantly raise the bar for antibribery law enforcement and compliance relative to the U.S. Foreign Corrupt Practices Act (FCPA).¹

The incoming U.K. coalition government is now considering concerns raised by business that there is not sufficient clarity as to what is permissible in areas such as hospitality, corporate gifts and facilitation and, therefore, announced that it will delay publishing guidance that was expected to be issued in January pending further review.

A U.K. Ministry of Justice spokesperson said: "We are working on the guidance to make it practical and comprehensive for business. We will come forward with further details in due course. When the guidance is published it will be followed by a three month notice period before implementation of the Act."

At this time, it is uncertain how the pending guidance may be reshaped, what the new regime will look like or when it will be introduced. It may be that the guidance, when it is finally published, will depart from the initial intention that there should be no "safe harbours."

¹ For more details on the Act, see Akin Gump alerts of August 2, 2010 ("UK Bribery Act Raises the Bar on FCPA Standards for Antibribery Compliance") and October 25, 2010 ("Draft Guidance Issued for UK Bribery Compliance")



Regardless of these questions, given the broad reach of jurisdiction set forth in the U.K. law, the Bribery Act can be expected to have a significant impact on international antibribery enforcement and global antibribery compliance standards and best practices for many years to come. Accordingly, we will continue to monitor and report on significant developments in the implementation of this law as key details are clarified in the months ahead.

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