

## COMBAT AGAINST BRIBERY

On 13 March 2019 the Organisation for Economic Co-operation and Development („OECD”) Council adopted the *Recommendation of the Council on Bribery and Officially Supported Export Credits*, (“**OECD Recommendation**”).

The OECD Recommendation obliges the members to the OECD to take appropriate measures to deter bribery in international business transactions benefiting from official export credit support and recommends certain actions with respect to official support provided by the export credit insurance agencies (“**ECA**”) including Hungarian Export-Import Bank Private Limited Company (“**Eximbank**”). As such, Eximbank has been requested among others to analyze and select applications at the initial stages of the assessment in order to eliminate those applications where the existence of bribery may be suspected.

Within the framework of the selection at initial stages the exporters, applicants, buyers, borrowers and other parties to the finance transaction are obliged to make anti-corruption statement before the issuance of the guarantee or the conclusion of the finance agreement in which statement they have to declare that neither the company nor the officers, employees or other persons acting on behalf of the company have committed any acts of corruption or bribery in order to enter into the foreign trade agreements, finance agreements and/or bank guarantee and there are no ongoing proceedings against any of them in connection therewith.

Eximbank shall refuse the issuance of the guarantee or the conclusion of the finance agreement if it has been proven – on the basis of declarations of exporters, applicants, buyers and borrowers, verifying publicly available debarment lists and if necessary enhanced due diligence – that bribery or other corrupt activity took place in connection with the transaction. Furthermore, if after the issuance of the guarantee or the conclusion of the facility agreement Eximbank learns of a credible source (i.e. court judgment ruling) that bribery or other corrupt activity was involved in the transaction in case of guarantee it may refuse the payment or demand its refund, while in case of credit it may refuse the disbursement, demand prepayment or terminate the facility agreement.

Several forms of corruption is prohibited by the laws of Hungary in accordance with Chapter XXVII (Crimes of Corruption) of *Act C of 2012 on the Criminal Code*: active and passive corruption, active and passive corruption of public officials, active and passive corruption in court or regulatory proceedings, indirect corruption, abuse of a function and failure to report crimes of corruption.

As per the OECD Recommendation Eximbank shall inform law enforcement authorities in Hungary if there is credible evidence at any time that bribery or other corrupt activity was involved in the transaction in accordance with the provisions of its internal regulations.

Eximbank encourages exporters, all applicants, buyers and borrowers to develop, apply and document management control systems that combat bribery and other corrupt activities.

The Council Recommendation may be found under the following link:

[http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=TAD/ECG\(2019\)2  
&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=TAD/ECG(2019)2&docLanguage=En)