

## 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 Credit Insurance Limited Private Company (“**MEHIB**”). As such, MEHIB has been requested among others to analyze and select applications of the insureds at the initial stages of the assessment in order to eliminate those foreign trade transactions where the existence of bribery may be suspected.

In case of all insurance facility of MEHIB the exporters and the insureds are obliged to make an anti-corruption statement before the conclusion of the insurance contract 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, credit agreements to be insured by MEHIB and there are no ongoing proceedings against any of them in connection therewith. MEHIB shall refuse to issue the insurance proposal or policy if it has been proven – on the basis of declarations of exporters and insureds, verifying publicly available debarment lists and if necessary enhanced due diligence – that bribery was involved in the transaction. Furthermore, if after the conclusion of the insurance agreement MEHIB learns of a court judgment ruling that bribery was involved in the insured foreign trade transaction it may refuse the indemnification or demand its refund.

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 MEHIB 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.

MEHIB encourages exporters and all insureds 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)