

Investors warn on U.K. Bribery Act dilution

By Jane Croft, Law Courts Correspondent

Any dilution of the Bribery Act would be “bad” for Britain’s reputation as a centre for investment, according to some of the world’s largest institutional shareholders.

In a letter to Jeremy Heywood, the Downing Street permanent secretary, the International Corporate Governance Network, representing mainly institutional investors across 50 countries, has asked for reassurance that the act will be implemented.

The ICGN, whose members represent funds under management of \$9,500bn, wrote that it was in the interest of global investors and UK industry “that there is a clear and enforceable anti-bribery law in the UK”.

“There must be no dilution of the spirit of **the UK law as passed by parliament**. To do so would be bad for business, bad for investment, and indeed bad for the reputation of the UK as a centre of investment.”

The warning comes after **the implementation of the Bribery Act, passed by parliament last April, was delayed earlier this year.**

The law was meant to bring Britain closer in line with the US Foreign and Corrupt Practices Act but the government postponed its implementation after companies said the guidance on the new rules was unclear in areas including corporate hospitality.

The ICGN says the act may create challenges for UK businesses at its introduction. But it adds: “Our perspective as long-term investors calls for addressing this issue firmly now, so that the risks associated with bribery can be minimised for the beneficiaries of our investment services.”

The letter has been signed by Carl Rosen, executive director of the ICGN, and George Dallas, a director of **F&C** Investments who is chairman of the ICGN’s business ethics committee.

The concerns come as Ken Clarke, justice secretary, will use his trip to the US this week to reassure the authorities Britain is not wavering in its commitment to crack down on overseas graft.

Britain has been regarded as a **laggard among developed nations in its approach to tackling corruption** and was heavily criticised after Tony Blair, when prime minister,

forced fraud investigators to abandon a probe into Saudi arms deals involving BAE Systems.

Last month, Mark Pieth, chairman of the Organisation for Economic Co-operation and Development's 36-member anti-bribery group, said "patience is running out" among rival industrialised nations at Britain's delays.

Mr Clarke hopes to publish guidelines to the new law within "weeks rather than months". The law is expected to come into force about three months after the final guidelines are given to companies.