

On the submission to the State Duma of a draft law on combatting corruption crimes during international business transactions

The draft law provides for spreading the types of punishment stipulated in the Code of Administrative Offences for crimes of illegal gratification by legal entities to the cases when such crimes are committed not only on behalf or in the interests of a legal entity but also in the interests of other legal entities connected with it, such as affiliated or subsidiary companies. The adoption of this bill would create conditions for the further implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Reference

The draft law on amendments to article 19.28 of the Code of Administrative Offences (hereinafter referred to as the draft law) has been prepared by the Justice Ministry of Russia in keeping with the Action Plan for Cooperation with the Organisation for Economic Cooperation and Development (OECD) in 2017–2018.

Article 19.28 of the Code of Administrative Offences stipulates administrative liability for legal entities found guilty of intentionally offering, promising or giving, on behalf or in the interests of these entities, gifts of money, securities, other property or property services to an official, to persons involved in management activities in a commercial or any other organisation, to foreign officials or to public officials of international organisations (hereinafter referred to as the official) in order that the official act (or refrain from acting) in relation to the performance of official duties in the interests of said legal entity. In other words, the current wording of Article 19.28 stipulates administrative liability only for crimes committed by legal entities on their own behalf or in their own interests.

Under the draft law, the individuals and legal entities who are offered, promised or given property, property services or property rights on orders from officials, persons involved in management activities in a commercial or any other organisation, foreign officials or public officials of international organisations shall be also considered beneficiaries of corruption crimes committed in the interests of a legal entity or legal entities concerned.

The draft law provides for augmenting Article 19.28 of the Code of Administrative Offences in order to stipulate administrative liability for legal entities when they commit such crimes not only on their own behalf or in their own interests, but also in the interests of legal entities connected

with them, such as affiliated persons or subsidiary companies.

The adoption of this draft law will create conditions for the further implementation of OECD recommendations based on the performance of the Russian Federation as assessed during the second round of monitoring of Russia's compliance with the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which was signed on 21 November 1997. Russia joined the Convention in 2012.

The draft law was discussed and approved at a Government meeting on 13 July 2017.