

BRIBERY OF FOREIGN

PUBLIC OFFICIALS IS A PUNISHABLE ACT

Iceland is party to the **OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions**. Icelandic legislation has been amended in accordance with the Convention, which entered into force in Iceland in 1999. The Preamble stresses that bribery is a widespread phenomenon in international business transactions; and that it undermines good governance and economic development, and distorts international competitive conditions.

The chief aim of the Convention is to prompt the Parties to criminalise the attempt to bribe foreign public officials in order that they fail to perform their duties for the benefit of the briber. A bribe may take the form of gifts, money or other advantage to which the public official is not entitled. An offence of this nature carries a **prison sentence of up to four years** under Article 109 of the General Penal Code No 19/1940. The term “foreign public official” also applies to members of parliament, jurors, employees of public international organisations, members of international courts and others. Furthermore, the General Penal Code has been amended authorising Icelandic authorities to prosecute those who violate this legislative provision, even if the offence of bribery takes place abroad. Offenders may be sentenced to prison or, if there are mitigating circumstances, subject to monetary sanctions. The 1998 amendment to the law subsequently authorised that companies and other legal persons in Iceland may be sanctioned if there is evidence that they have attempted to bribe foreign public officials.

Foreign public officials who **accept a bribe** may be punished by **up to six years** imprisonment, or the same penalty imposed on them as their colleagues in Iceland who have accepted a bribe, cf. Article 128. The penalty is more severe than that imposed in case of offering a bribe, the justification being that, due to their position, public officials carry a greater responsibility than the general public.

The Icelandic Government places emphasis on following through with the provisions of international conventions but it is also in the best interests of companies and individuals to be

informed of applicable laws, how they can comply with important disclosure requirements, and generally follow good practices. Representatives of companies or others who become aware of an act of bribery abroad may report the incident to Iceland's diplomatic missions and also contact the Icelandic police authorities. Until the end of this year, indications and enquiries should be addressed to the Office of the Special Prosecutor and thereafter to the Office of the District Public Prosecutor responsible for the investigation of economic crimes.