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Date: 16 June 2005

Dear Mr.Llewellyn

**Subject: Letter to BExA members relating to the Consultation on
ECGD's anti-bribery and corruption procedures introduced in December 2004**

We are writing to you in connection with ECGD's consultation on anti-bribery and corruption procedures introduced in December 2004.

We wish to express our concern that if ECGD adopts any new complex or restrictive measures it will make ECGD less competitive (by placing an additional burden on business or by being unworkable for ECGD's customers).

It is appreciated and understood that the deterrence of bribery and corruption is important in international business, not least so that all companies can compete for business on the same level playing field. However sanctions under the existing law, managed by the competent authorities, provide the appropriate deterrent. ECGD is not an investigative body and its procedures should reflect that.

The December 2004 provisions, when compared with those imposed in May 2004, represent a fair balance between meeting ECGD's objective of ensuring that taxpayers' money is not used to support corrupt activities and ensuring that the burden placed upon exporters and the financing banks is reasonable.

The definition of 'Affiliate' contained in the May 2004 provisions was so broad as to leave Applicants in the impossible position of having to warrant the past and future behaviour of companies that they did not control with the warrantee extending to the individual employees of those companies. The December 2004 provisions addressed this problem by introducing the more appropriate concept of Controlled Company so that the assurances that ECGD was rightly seeking in relation to parties that the Applicant had control over could be made. A definition of Associate was also introduced and an obligation placed upon the Applicant to inform ECGD if it becomes aware that an Associate has engaged in any corrupt activity.

It should also be recognised that Agents (Consultants) often play an important role in the contractual process. Exporters should continue to be free to pay legitimate commissions to their Agents without the burden of the obligation to provide ECGD with details that are often confidential and commercially sensitive. ECGD has sufficient protection through other provisions in the December 2004 procedures, e.g. the provision by exporters of their codes of business conduct and representations with respect to the behaviour of Controlled Companies, Associates and those acting on the exporter's behalf which, when combined with the very real penalties imposed by strict UK laws, ensures the deterrence of corrupt activities with respect to Agents.

Yours sincerely,

Selenia Communications Limited

Leighton Jones

L G Jones,

Director and Secretary of the Company.

Copy to The British Exporters Association.