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The Foreign Corrupt Practices Act came into force when payment of corporate money as bribe to foreign businessmen and office bearers in foreign governments by some American business corporates in order to gain certain favors or to expedite business or government transactions were exposed in the 95th Congress (Osajda, 2010). There have been several reports of corruption both within America and globally that spurred the Congress to introduce the act encompassing anti-bribery and accounting provisions. The first provision prohibits American individuals as well as organizations residing within the US or in any other country from paying or accepting bribes from foreign nationals in return for governmental favors or in order to expedite a particular process. This provision also applies to foreign firms and nationals residing within the US and who are caught in the act of bribery. The act includes issuers whose securities are registered in the US even if the person or the organization is outside the US territory (Osajda, 2010; Glynn, Kobrin & Naim, n. d; Foreign Corrupt Practices Act). Thus the FCPA has a broad reach both within and outside the US and is striving to bring an end to corruption on the global front. The main focus of the act is the purpose for which the money is being transacted. While the act does not interfere with payments made for undertaking routine governmental duties, it imposes heavy fines on those who indulge in corruption (Foreign Corrupt Practices Act). In order to prohibit such illegal laundering of money in other world countries the US appealed to the Organization of Economic Cooperation and Development (OECD) to issue a recommendation on anti-bribery to its constituent countries. Though the move was initially opposed by the Germans, French and British, it has over the years gained support

from these countries who have also adopted suitable measures to combat bribery within their countries. In addition adopting legislative measures to prohibit bribery the OECD has further taken several initiatives to urge countries around the world to pass laws on criminalization of bribery that would help them to achieve zero-tolerance against corruption (Glynn, Kobrin & Naim, n. d).

References

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