

Dear

On behalf of the board of the Erasmus Institute Monitoring & Compliance and the Research School Safety & Justice I would like to invite you personally to our exclusive seminar on December 1st, 2009 at the Erasmus University in Rotterdam.

We are very pleased to welcome Tina Søreide of the World Bank who will share her latest findings about corruption and unfair competition, using four kinds of perspectives of determinants of corruption: government specific aspects, deal specific determinants, firm specific factors of bribery and characteristics of legal system and culture.

Gerben Smid, associated researcher of the Erasmus School of Law, will give a review of the relevant international instruments fighting corruption with their voids and limitations. Subsequently Abiola Makinwa, associated researcher of the Erasmus School of Law, will speak about private law remedies for fighting international corruption. The criminalization of international corruption may provide a platform where private rights and remedies can be developed.

Pieter van den Akker, independent Advisor AML Operations, will provide a practitioner perspective on the tension between commercial agility and securing regulatory compliance in global AML practices. He will demonstrate how ABN AMRO Bank, as a large international bank has faced up to the challenges following significant censures by US and Dutch regulators.

We would be very honored if you would accept our invitation. If you decide to do so, please send a short e-mail to Ms Sey Lin van Munster (vanmunster@frg.eur.nl) to complete your registration.

For more details about the seminar please see the attached announcement.

Kind regards,

Ernst Verwaal
Academic coordinator

EITC / OMV Seminar 1 December 2009

‘International Corruption and Global Money Laundering’

This exclusive and interactive seminar will focus on new research and practices in international corruption and global money laundering. The seminar will have a specific focus on economic incentives, managerial, policy and legal implications of international corruption and money laundering. Leading experts in this area will highlight the topic, major research outcomes, and discuss the policy and managerial implications from a multi-disciplinary perspective.

Presenters:

Tina Søreide, Economist, World Bank

Gerben Smid and Abiola Makinwa, Associate Researchers, Erasmus School of Law

Pieter van den Akker, Independent AML Specialist

Seminar organization:

Sey Lin van Munster, vanmunster@frg.eur.nl

Academic coordination:

Ernst Verwaal, everwaal@rsm.nl

Date, time and location:

December 1st, 2009 (Tuesday), 12.30 - 17.30 hours, Room H17-02 (Rivium Zaal), Erasmus University Rotterdam

Registration:

Participation is free, but attendance is limited to a maximum of 35 participants. Registration is required and will be processed in order of admittance. In case registration is accepted and the participant does not make use of his/her seat eventually, participant needs to compensate the costs of the empty seat as others missed the opportunity of participation. Please submit your registration by a short email with name and address to vanmunster@frg.eur.nl.

Program overview:

12.30 - 13.30 Registration and lunch

13.30 - 13.40 Seminar introduction by Henk van de Bunt, Chairman of the Board, EITC

13.40 - 14.25 *Corruption and Unfair Competition*, presented by Tina Søreide

14.25 - 14.40 Discussion led by Hans de Doelder

14.40 - 14.50 Break

14.50 - 15.20 *Remedies for Fighting International Corruption*, presented by Gerben Smid and Abiola Makinwa

15.20 - 15.35 Discussion led by Hans de Doelder

15.35 - 15.45 Break

15.45 - 16.30 *Guilty by Association*, presented by Pieter van den Akker

16.30 – 16.45 Discussion led by Hans de Doelder

16.45 – 17.30 Drinks and snacks

Topics:

Corruption and Unfair Competition

Tina Søreide, World Bank

What do we know about the risk of corruption in international business transactions? On what arenas and through what challenges can corruption cause unfair competition? What are the incentive problems that make it so difficult to fight such crime? These are the core questions addressed by this presentation.

Theory and empirical results will be reviewed with a particular focus on corruption and competition. Determinants of corruption in international business transactions will be described along four dimensions. First, *government* specific factors: what political environments fail to prevent corruption? Many studies point at weak governance and lack of accountability as obstacles for international trade and investment. Too often, however, results are presented without much nuance about the form of governance failure or weakness. How can we separate corruption from other private agendas that politicians can have? How can we recognize the consequences of political corruption at the sector-level? The second dimension that will be addressed is the *deal specific determinants*. What contract characteristics are likely to correlate with undue influence on competition? There is too limited data to draw conclusions yet we will discuss some intuition around contract details in regulated industries and research approaches to this question. Thirdly the presentation considers *firm-specific* determinants of bribery. Selected results in empirical and theoretical studies will be reviewed. And fourthly, the presentation will discuss the importance of characteristics of *legal* system and culture. Are the legal frameworks in European countries sufficiently capable of capturing the influence of corruption on competition? There has been significant international collaboration on anti-corruption over the last decade and this would suggest more equal rules across countries. However, there is significant variation across countries when it comes to the implementation of rules at the national level. What explains the variation? This presentation will address challenges in disclosure and prevention of corruption – given the determinants of corruption and challenges associated with legal transplants.

Private Law Remedies for Fighting International Corruption

Abiola O. Makinwa

International corruption impacts negatively on economic growth and sustainable development. It is linked to deleterious consequences such as crime and poverty. It also poses a threat to the security and stability of world markets. Efforts to tackle international corruption have moved into the mainstream of government and international policy. The emerging panoply of regulations criminalizing international corruption is an important step in defining international corruption as an activity detrimental to the welfare of society. The primary focus of the anti-corruption instruments is stigmatization and punishment that is initiated and implemented by the State. However, the fact that the primary actors in international corruption are governments, state officials, multinational corporations and the elite, presents a conflict of interest problem regarding enforcement along traditional criminal law enforcement lines. This suggests that from an efficiency viewpoint an approach to enforcement that centers on private prosecution, private

claims, restorative justice and victim centered strategies may positively augment the gains made by criminalization. The criminalization of international corruption may thus provide a platform where private rights and remedies can be developed. The entry into force of the Council of Europe Civil Law Convention on Corruption and the United Nations Convention Against Corruption in 2003 and 2005 respectively have introduced into the international anti-corruption dialogue the prospect of victim-led strategies by stipulating that States provide persons that have suffered damage as the result of corrupt acts the means to claim compensation. This motivates inquiry as to the potential and nature of private law remedies for international corruption.

Guilty by Association: Commercial Agility and Securing Regulatory Compliance in Global Anti-Money Laundering Practices

Pieter van den Akker

The International Monetary Fund estimates the aggregate size of global money laundering to be between two and five percent of the world's gross domestic product. Measured against World Bank statistics this equates to between USD 1.2 thousand billion and USD 3.0 thousand billion in 2008. Not only do these vast flows of criminal funds undermine the integrity of the international financial system, by their nature they are volatile and can threaten the stability of individual institutions or even of national economies. The recent increase of public money in the financial sector due to the financial crisis puts governments politically at risk of becoming 'guilty by association' if one of their banks has been deemed to be negligent in combating financial crime.

For individual financial institutions the stakes are high and the price of getting it wrong is prohibitive. Association with criminal activity will negatively affect an institution's market reputation and impact the public's trust and confidence. If this were not enough incentive, governments and their financial regulators are becoming more assertive and will put (foreign) bankers who have violated their rules behind bars, impose large fines and revoke licences. In this evolving landscape financial institutions struggle to maintain an effective and flexible defense against these threats. The challenge the institution faces in these uncharted waters is to sail between the rock of doing too little ("ticking the box") and the hard place of creating an expensive bureaucratic overhead that stifles the firm's commercial agility. In this seminar Pieter van den Akker will demonstrate how ABN AMRO Bank, as a large international bank has faced up to these challenges following significant censures by US and Dutch regulators.

About the presenters:

Tina Søreide is an economist with experience in research and policy analysis, mainly on issues related to corruption, business climate challenges, regulation and public procurement. Søreide's PhD thesis, completed 2006, offers an extensive analysis of business corruption including determinants of firms' involvement in corruption, estimation of incidence, and consequences of corruption. Her current research explores the risk of corruption in natural resource management and regulated industries.

Abiola O. Makinwa worked as a lecturer with the Faculty of Law of the Lagos State University in Lagos, Nigeria. In 2002, she obtained a specialized masters in Business and Trade Law (cum laude) at the Erasmus University Rotterdam where she is currently a PhD fellow with the

Department of Private International and Comparative Law to research the issue of private remedies for international corruption.

Gerben Smid studied Criminal Law and Private Law at the Erasmus University Rotterdam. In 2006 he became a PhD Fellow with the Department of Criminal Law of the Erasmus University. His thesis will be on the influence of international treaties against corruption on the Dutch criminalization of foreign bribery. Gerben Smid is also a member of the Board of Transparency International Netherlands, which is part of the global organization Transparency International. This organization promotes integrity and transparency within governments and the business world and plays a leading role in the fight against corruption.

Drs P.J. (Pieter) van den Akker studied International Law at the University of Amsterdam and until he recently left the bank and established an AML Advisory practice, worked for ABN AMRO Bank for 25 years in 6 different countries, most recently as the Group's Global Head of AML Operations. Currently, Pieter van den Akker is active as independent Advisor AML operations.