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REPORT OF THE AD HOC INTERGOVERNMENTAL WORKING GROUP ON THE
PROBLEM OF CORRUPT PRACTICES ON ITS SECOND SESSION

Rapporteur: Harold E. L. ACEMAH (Uganda)

1. The Ad Hoc Intergovernmental Working Group on the Problem of Corrupt Practices, established by Economic and Social Council resolution 2041 (LXI), held its second session at United Nations Headquarters from 31 January to 11 February 1977 with the following Member States attending: Algeria, Colombia, Iran, Japan, Mexico, Nigeria, Pakistan, Sierra Leone, Uganda, United States of America and Venezuela. Representatives of Australia, Belgium, Canada, France, Germany, Federal Republic of, Italy, Norway and the United Kingdom attended as observers. Switzerland was also represented by an observer.
2. In the course of the session, the Working Group held 19 meetings.
3. It had before it the annotated provisional agenda for the session (E/AC.64/2) and a report of the Secretariat entitled "Corrupt practices, particularly illicit payments in international commercial transactions: concepts and issues related to the formulation of an international agreement" (E/AC.64/3).

Opening of the session

4. The session was opened by the Chairman of the Committee at its first session, Mr. Rafael Rivas (Colombia).

Election of officers

5. At its 1st meeting, the Working Group re-elected Mr. Rafael Rivas (Colombia) as Chairman. At its 10th meeting, Mr. Junichi Nakamura of Japan was elected Vice-Chairman and Mr. Harold E. L. Acemah of Uganda was elected Rapporteur. It was decided to postpone the elections of the remaining members of the bureau to a later date.

Adoption of the agenda and organization of work

6. The Working Group adopted the following agenda, which had been agreed upon at its first session (see E/AC.64/2):

1. Opening of the session
2. Election of officers
3. Adoption of the agenda and organization of work
4. Examination of the major concepts contained in paragraph 1 (a) of Economic and Social Council resolution 2041 (LXI), particularly the concept of illicit payments
5. Examination of the problem of corrupt practices, in particular bribery, in international commercial transactions by transnational and other corporations, their intermediaries and others involved
6. Elaboration in detail of the scope and contents of an international agreement to prevent and eliminate illicit payments, in whatever form, in connexion with international commercial transactions
7. Draft provisional agenda for the third session of the Working Group.

7. The Working Group decided that it would hold both formal and informal meetings to consider the three substantive items on its agenda. It was agreed that, in principle, one formal meeting would be held each day to deal mainly, but not exclusively, with agenda item 4, concerning the examination of the major concepts mentioned in Economic and Social Council resolution 2041 (LXI), and one informal meeting to discuss, again primarily but not exclusively, the two remaining substantive items, i.e., agenda items 5 and 6. The Working Group further decided that the number of formal meetings could be reduced to allow for more informal ones should the need arise.

8. With regard to the participation of observers, the Working Group decided that each time an observer wished to address the Working Group the Chairman would seek the consent of the Group before allowing such an observer to take the floor, in accordance with the rules of procedure of the Economic and Social Council.

9. The following delegations made formal statements and observations on document E/AC.64/3 and on the substantive issues before the Working Group: Algeria, Australia, Belgium, Canada, Colombia, France, Germany, Federal Republic of, United Kingdom, Iran, Italy, Japan, Mexico, Nigeria, Pakistan, Sierra Leone, Uganda, United States of America and Venezuela. While some delegations felt that the document provided a good basis for the discussions of the Working Group, others felt that it took too restricted a view of the scope of corrupt practices; others also considered that insufficient attention had been given to the issue of payment

of taxes and royalties to illegal minority racist régimes in South Africa by transnational corporations in contravention of United Nations resolutions.

10. The Working Group decided to change its name from "Ad Hoc Intergovernmental Working Group on Corrupt Practices" to "Ad Hoc Intergovernmental Working Group on the Problem of Corrupt Practices".

11. The Working Group was presented with a working paper by the delegation of the United States of America entitled "Ideas on the scope and content of an international agreement on illicit payments in connexion with international commercial transactions" (E/AC.64/L.1).

12. The Working Group, at its 14th meeting after informal consultations, adopted by consensus the document entitled "Major issues to be considered in the examination of the problem of corrupt practices, in particular bribery, in international commercial transactions by transnational and other corporations, their intermediaries and others involved" (E/AC.64/4) as a basis for its future work.

13. It was also agreed that the objectives of the document were to assist the Working Group in organizing its work and to focus its attention on the major issues to be considered. It was emphasized that the enumeration of headings and items was not exhaustive, nor did it prejudice the position which might be taken by delegations in further discussions.

14. For its next session the Working Group requested that the Centre on Transnational Corporations, in collaboration with the Legal Office and the United Nations bodies and agencies concerned, prepare an annotated outline following the approved outline contained in document E/AC.64/4, including both parts A and B. The annotated outline should be action-oriented, broad in scope and make a balanced presentation of all the views expressed at the meetings. The Centre might however add legal language to develop the items included in the outline should time permit.

15. The Working Group decided to hold its third session as scheduled from 28 March to 8 April 1977 at United Nations Headquarters. It further decided to hold a resumed third session for one week before the sixty-third session of the Economic and Social Council, should the need for such a session arise. The date for the resumed third session would be decided upon later. The possibility of the Group holding a meeting away from United Nations Headquarters was left open. It was agreed that the Secretariat would study the options with a view to advising the Working Group accordingly.

16. The Working Group agreed to the following draft agenda for its third session:

1. Opening of the session
2. Election of officers
3. Adoption of the agenda and organization of work

4. Examination of the major concepts contained in Economic and Social Council resolution 2041 (LXI), paragraph 1 (a), particularly the concept of illicit payments
 5. Examination of the problem of corrupt practices, in particular bribery, in international commercial transactions by transnational and other corporations, their intermediaries and others involved
 6. Elaboration in detail of the scope and contents of an international agreement to prevent and eliminate illicit payments, in whatever form, in connexion with international commercial transactions
 7. Report to the sixty-third session of the Economic and Social Council on the work of the Ad Hoc Intergovernmental Working Group on the Problem of Corrupt Practices.
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Corrigendum

Page 3

Line 1 should read

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southern Africa by
