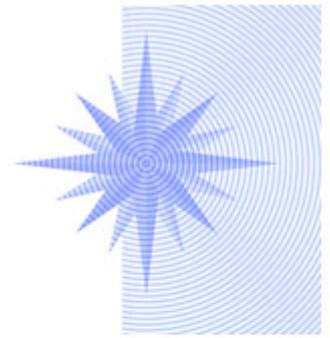


the Wolfsberg Group



Banco Santander
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Barclays
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Deutsche Bank
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HSBC
JP Morgan Chase
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Publication of the August 2011 Wolfsberg Anti-Corruption Guidance

In August 2011 the Wolfsberg Group replaced its 2007 Wolfsberg Statement against Corruption with a revised, expanded and renamed version of the paper: Wolfsberg Anti-Corruption Guidance. This Guidance takes into account a number of recent developments and gives tailored advice to international financial institutions in support of their efforts to develop appropriate Anti-Corruption programmes, to combat and mitigate bribery risks associated with clients or transactions and also to prevent internal bribery.

The Wolfsberg Group periodically reviews documents it has issued to ensure they remain up to date and relevant to the financial industry. The impetus for this review includes the legal and regulatory developments and anti-bribery enforcement actions over recent years, particularly under the US Foreign Corrupt Practices Act. This, combined with increased regulatory scrutiny of financial institutions in the wake of the financial crisis, the increasing implementation across the world of the United Nations Convention Against Corruption, as well as new laws enacted to implement the OECD Convention Against Bribery in International Business Transactions and, finally, the coming into law of the UK Bribery Act, which introduces a wide reaching corporate offence of failing to prevent bribery as a result of not having implemented "adequate procedures" to address bribery and corruption risks, has resulted in a revised paper.

The Wolfsberg Anti-Corruption Guidance has an entirely new Appendix which sets out the elements for an internal Anti-Corruption framework, suitable for an international financial institution. There are sections on roles and responsibilities, reporting, policies and the programme framework. The latter includes risk assessments, due diligence in relation to third parties (including the use of intermediaries), political and charitable contributions, gifts and entertainment, whistleblowing, as well as controls (e.g. monitoring & surveillance) and communication, training & awareness. While the Guidance has greatly expanded the scope of the original paper, the risk focus for financial institutions remains as before: namely client risks continue to present the greatest risks for banks. The original guidance in this area has been updated but essentially remains as valid today as it did when the paper was originally written.

Adherence to the Guidance paper is not a substitute for legal advice and financial institutions should therefore seek the assistance of their own internal and external counsel for advice on bribery and corruption risks, as may be relevant to their respective businesses.