



**Asia-Pacific  
Economic Cooperation**

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**2014/SOM1/ACT/002**

Agenda Item: 2

## **Summary Record – 17<sup>th</sup> Anti-Corruption and Transparency Experts' Working Group Meeting**

Purpose: Information  
Submitted by: ACT Chair



**18<sup>th</sup> Anti-Corruption and Transparency  
Experts' Working Group Meeting  
Ningbo, China  
20 February 2014**

**Summary Record**  
**APEC Anti-Corruption and Transparency Expert's Working Group Meeting**  
**25th-26th June, 2013. Medan, Indonesia (SOM 3)**

**Executive Summary**

The 17th meeting of the APEC Anti-Corruption and Transparency Experts' Working Group (ACT) was held in Medan, Indonesia, on 25<sup>th</sup> June followed by a joint meeting of the APEC ACT and the Experts Group on Illegal Logging and Associated Trade (EGILAT) held on 26th June in Medan. A Summary Record on this joint ACTWG-EGILAT meeting is made separately.

The 17th ACTWG meeting was chaired by Mr Bambang Widjojanto, Commissioner of the Corruption Eradication Commission of Indonesia (KPK) Indonesia. The meeting was attended by 17 of the 21 APEC member economies, as well as by representatives from International Anticorruption Academy (IACA), OECD, Transparency International (Indonesia), and ABAC.

The 17th ACTWG meeting followed the ACT-Workshop on "Strengthening Integrity through Public-Private Partnership: Preventing Facilitation Payment and Managing Gratuities", held on 24th June in Medan.

**Key outcomes of the 17th ACTWG meeting include:**

1. ACT members adopted the agenda of the 17th ACT meeting and endorsed the 16th ACT Summary Record. The United States suggested that the Secretariat post the ACT summary records on the ACT webpage in compliance with a recommendation of the 2012 independent assessment.
2. Members welcomed the Secretariat Report on ACTWG intersessional work which highlighted i) Drafting and approval of the ACT Strategic Plan 2013-2017 (submitted to SCE-3), ii) ACT response to the 2012 Independent Assessment Recommendations (submitted to SCE-2), iii) Update on APEC Project Management, and iv) the Secretariat Report on Key Developments Issues of June 2013.
3. On the implementation of the ACT 2013 work plan members received the reports of Indonesia on the ACTWG Workshop "Strengthening Anti-Corruption Authorities in APEC Member Economies", held in SOM1 in Jakarta; and the Workshop "Strengthening Integrity through Public-Private Partnership: Preventing Facilitation Payment and Managing Gratuities", held in Medan, on 24 June.
4. Members supported Indonesia initiative to hold a preparatory meeting to further discuss the ACT Network of Anti-Corruption and Law Enforcement Authorities (ACT-NET) in Bali, just prior to the 2013 Leaders' week. Members agreed that there is no need to amend the ACT Terms of Reference to implement the initiative and also decided that this network will be informal unless otherwise agreed in future meetings.
5. Twelve members (Korea, Russia, Viet Nam, Papua New Guinea, PR China, Canada, Chinese Taipei, the United States, Thailand, Malaysia, Singapore and Indonesia) shared updates on their respective developments and progress in implementing the UN Convention against Corruption (UN-CAC) and other domestic initiatives and reforms related to anti-corruption and transparency.
6. Representatives from Transparency International (Indonesia), OECD and International Anti-Corruption Academy (IACA) shared their reports on recent activities related to transparency and anti-corruption and opportunities to collaborate with ACTWG.
7. Members received reports from Australia, Indonesia, the United States, Chile and P.R. China on ongoing and proposed projects for 2013 and 2014 and related synergies with other relevant international fora.
8. Next ACTWG meeting will be held at SOM1 2014 in China (exact dates and locations TBD).

**The ACTWG Workshop on Strengthening Integrity through Public-Private Partnership: Preventing Facilitation Payment and Managing Gratuities", held on 24th June in Medan.**

Nearly 300 hundred participants from fourteen APEC economies, local private sector representatives, and representatives of IACA, OECD, World Bank Indonesia attended the ACT Workshop on Strengthening Integrity through Public-Private Partnership: Preventing Facilitation Payment and Managing Gratuities, organised by Corruption Eradication Commission (KPK), Republic of Indonesia, and Transparency International Indonesia (TII). The workshop had four sessions:

1. Public –Private Partnership in Managing Facilitation Payments', chaired by Mr. Denny Indrayana, Vice - Minister of Justice of the Republic of Indonesia.
2. Gratuities and Facilitation Payments: Challenges and Best Practices (I), chaired by Mr. Erry Riyana Hardjapamekas.
3. Gratuities and Facilitation Payments: Challenges and Best Practices (II), chaired by Mr. Mas Achmad Daniri (Indonesian GCG Committee).
4. International Instruments and Best Practices in Preventing Facilitation Payments and Managing Gratuities, chaired by Mr. Bambang Harymurti (CEO Tempo Media Group).
5. Mr. Bambang Widjojanto, Commissioner of KPK Indonesia, and ACTWG Chair shared his Closing Remarks.

The workshop concluded with a public acknowledgement by KPK to local private sector representatives and a public commitment by over thirty private sector representatives to conduct business following principles of transparency.

**Summary Record**  
**APEC Anti-Corruption and Transparency Expert's Working Group Meeting**  
**25th-26th June, 2013. Medan, Indonesia (SOM 3)**

The 17th meeting of the APEC Anti-Corruption and Transparency Experts' Working Group (ACTWG) was held in Medan, Indonesia, on 25<sup>th</sup> June, and was followed by a joint meeting of the APEC ACTWG and the Experts Group on Illegal Logging and Associated Trade (EGILAT) on 26th June in Medan. A Summary Record on this joint ACTWG-EGILAT meeting is made separately.

The 17th ACTWG meeting was chaired by the ACT Chair, Mr Bambang Widjojanto, Commissioner of the Corruption Eradication Commission of Indonesia (KPK) Indonesia. The meeting was attended by 17 of the 21 APEC member economies (all except Japan, Mexico, Peru and New Zealand), as well as by non-member participants Ms Elisabeth Täubl from the International Anticorruption Academy (IACA), Mr William Loo from the OECD, Mr Dadang Trisasongko from Transparency International (Indonesia), and Mr David Dodwell, ABAC representative, Executive Director of Hong Kong-APEC Trade Policy Group.

### **Opening Remarks**

The ACT Chair, Mr Bambang Widjojanto, welcomed all the participants to the 17th ACTWG meeting in Medan. He reviewed ACT activities and initiatives developments since the last ACT meeting in Jakarta on 26-27 January 2013, as well as the events organized by the Corruption Eradication Commission of Indonesia KPK in the implementation of the ACT Work Plan.

### **Agenda Item 2- Adoption of the Agenda**

ACT members adopted the agenda of the 17th ACT Meeting and endorsed the 16th ACT Meeting Summary Record. The United States suggested the Secretariat post the ACT summary records on the ACT webpage in compliance with a recommendation of the independent assessment.

### **Agenda Item 3 – APEC Secretariat Report**

The Secretariat delivered the Report on ACTWG intersessional work which highlighted two developments, such as the drafting and approval by ACTWG of the ACT Strategic Plan 2013-2017 for submission to SCE-3 in Medan, and the ACTWG response to the 2012 Independent Assessment Recommendations, which was adopted intersessionally by ACT members and submitted by the Secretariat on behalf of the ACT Chair to SCE-2 in Surabaya.

In its report the Secretariat also provided an Update on APEC Project Management, and the Secretariat Report on Key Developments Issues of June 2013 for members' reference.

### **Agenda Item 4 – Reports on 2013 ACT Indonesia activities and achievements**

In support to the implementation of the 2013 ACT Work Plan members received Indonesia report on the ACTWG Workshop "Strengthening Anti-Corruption Authorities in APEC Member Economies", held in SOM1 in Jakarta.

Indonesia also reported on the Workshop "Strengthening Integrity through Public-Private Partnership: Preventing Facilitation Payment and Managing Gratuities", held in Medan, on 24 June. Nearly 300 hundred participants from fourteen APEC economies, local private sector representatives and representatives of IACA, OECD, World Bank Indonesia attended the this workshop organised by Corruption Eradication Commission (KPK), Republic of Indonesia, and Transparency International Indonesia (TII).

### **Agenda Item 5 – Members' opportunity to report on development on implementing the UN Convention against Corruption (UNCAC) and other Initiatives related to Anti-corruption and Transparency**

Twelve member economies (Canada, Chinese Taipei, Indonesia, Korea, Malaysia, Papua New Guinea, PR China, Russia, Singapore, Thailand, the United States and Viet Nam) shared their reports on developments and progress on implementing the UN Convention against Corruption (UNCAC) and other domestic initiatives and reforms related to anti-corruption and transparency.

- **Korea** updated members on Current status of Korea in UNCAC Implementation Review Mechanism. Korea is under review in the third year of the first cycle by Bulgaria and India and it is also a reviewing country along with Mongolia for Micronesia in the fourth year. In this regard, the Korean government is actively cooperating in the review on Chapter 3 "Criminalization and law enforcement" and Chapter 4 "International Cooperation" of the Convention. On its efforts for implementation of UNCAC in Article 9 of the Convention, Korea created the legal ground for Integrity Pact by revising the "Act on State Contract". As an implementation measure of Article 31 of the Convention, Korea prepared a draft for revision of the "Act on Regulation and Punishment of Criminal Proceeds Concealment. The Korean government also provided contributions of €102,000 to International Anti-Corruption Academy, IACA.
- **The Russian Federation** reported on development of lobbyism within private-public partnership in combating corruption and ensuring transparency. Russia consistently develops private-public partnership in combating corruption and ensuring transparency via different mechanisms and institutions. For the last two years, a number of judicial procedures related to public influence was established in Russia, such as the regulatory impact assessment; public consultations; juridical examinations of legislative acts that unduly restrict investment and enterprising activities; public debating of draft laws; law-enforcement monitoring; and anticorruption examination of legislative acts. All these initiatives appeared as independent directions in addition to the mainstream work on determining the forms and regulatory practices of lobbyism. The Anticorruption Charter of the Russian Business Society adopted in autumn of 2012 became very important milestone on the domestic front to strengthen the private-public partnership in combating corruption. Two main directions of further development of the lobbying in Russia have been identified. The first one is the enactment of special juridical act that will regulate lobbyism as professional activity. The second way is to improve and strengthen current national legislation grounds, which regulate interaction between officials and lobbyists on different government levels.
- **Viet Nam** reported on concrete actions recently done to complete the mechanism of socio-economic management to facilitate a business environment of fair competition and transparency. In June 2013, Viet Nam's Prime Minister issued another direction to promote the delivery of anti-corruption contents in teaching at educational and training institutions from the academic year of 2013-2014. A number of decrees to implement national key legal provisions on the prevention of corruption have been newly issued or will be issued in the coming time. The Government Inspectorate in collaboration with the World Bank co-organized the Viet Nam Anti-corruption Initiative Program 2013 (VACI 2013) under the theme "Enhancing transparency, integrity and accountability, reduce corruption" consists of two main parts: An Innovative Competition and Knowledge Exchange. On Progresses in implementing the UNCAC, the self-assessment and the assessment process conducted by Lebanon and Italy in 2012 showed that Viet Nam has implemented the Convention actively and achieved remarkable results. In June 2013 Viet Nam sent experts and by now completed the assessment process of UNCAC of Austria. According to the draw result at the 4th Session of the Implementation Review Group in Austria, Viet Nam will participate in assessing the implementation of the Convention of China and the Democratic Republic of Congo.
- **Papua New Guinea** briefed on its progressive status implementing UNCAC. PNG has completed its review on Chapter III & Chapter IV, and now a follow up on recommendations will be conducted with preliminary discussions in implementing the recommendations on both Chapters. Papua New Guinea and China will be undertaking a country visit to Sri Lanka early June 2013 following the self-assessment tests provided by Sri Lanka on Chapters III and Chapters IV. Regarding domestic efforts, PNG Government has approved a Constitutional amendment for the establishment of an Integrity Commission. A draft Organic Law has also been already developed and a country-wide consultative process is currently being undertaken. The Office of Public Prosecutor will also be opening a Fraud and Anti-Corruption Branch dedicated to

prosecuting all corruption offences. Papua New Guinea's approach not only emphasizes corruption criminalizing and prosecution but also encourages preventive measures through education and awareness with help of Civil Society Organisations.

- **PR China** reported on its participation in UNCAC and on recent progress on anticorruption efforts and prosecution policies. China highlighted four elements from the new anticorruption approach and strategies of the new leadership elected in XVIII National Congress. 1. The presidency requires all governmental officials to improve the working style to strictly follow the code of conduct and to keep close contact to the people. 2. To intensify the anticorruption fight by seriously punishing and prosecuting corruption, both at the highest level of senior officials and also at lower levels particularly on unhealthy behavior by public servants who interfere with the public interests. 3. To strengthen institutional building by more anticorruption regulations and rules in which frame officials have to work, and 4. To continue fostering international cooperation in anticorruption considering that China will be overviewed by the international community under UNCAC framework, also because China will host the APEC-ACTWG meetings next year, and due to the need of cooperation on cross border corruption issues.

- **Canada** briefed on the recent amendments to the Corruption of Foreign Public Officials Act (CFPOA) passed in June 2013 by the government and enacted by the parliament. The amended CFPOA establishes the expansion of jurisdiction to include offences committed outside Canada applicable to all offences. The maximum sentence of imprisonment applicable to the offence of bribing a foreign public official is increased from 5 years to 14 years with no maximum fine amount. There is a new offence relating to books and records and the bribing of a foreign public official or the hiding of that bribery, also punishable by up to 14 years imprisonment. The CFPOA now applies to not-for-profit organizations. The facilitation payments exception to the offence of bribing a foreign public official is now eliminated. The Canadian Police is now given exclusive authority to lay charges.

- **Chinese Taipei** reported that the Ministry of Justice is now trying to develop the draft of the Act of implement the UNCAC to promote the domesticization of the Convention. Chinese Taipei has been researching about the legislation of the "Whistleblower Protection Act" and will also establish a committee to deal with the whistle blowing affairs. In implementing Article 31 of the UNCAC Chinese Taipei has not only constructed a Standard Operational Process to seizure illegal incomes, but also amended the "Money Laundering Control Act" by a number of domestic measures.

- **The United States** informed that its final UNCAC review report should be completed by UNODC in the near future and that the final report will be made publicly available online in addition to its self-assessment questionnaire, which is already available online. The United States also shared that the U.S. Treasury Department is implementing a strategy to enhance financial transparency as part of its ongoing efforts related to preventing the flow of proceeds of corruption and combating money laundering. A key element of this strategy is clarifying and strengthening customer due diligence performed by U.S. financial institutions.

- **Thailand** informed that its UNCAC implementations review started in May 2013 conducted by Bahrain and Nepal. In this regard the National Anticorruption Commission of Thailand NACC organized a consultation workshop for public, private and civil society organizations to enhance coordination arrangements for Thailand's UNCAC review. Meanwhile Thailand has been selected to conduct the UNCAC review of Myanmar, with which NACC has significantly enhanced their partnership especially since last year in several international fora, initiatives and workshops. As part of NACC anticorruption efforts NACC organized last May in Bangkok the ASEAN Anticorruption Youth Camp for university and high schools students from the ten countries. Thailand welcomes any project from any APEC members in collaborating activities to mobilizing youth in changing corruption attitudes and built non tolerance towards it. Thailand highlighted upcoming anticorruption activities to be hosted in Thailand for the second part of 2013, such as the 4<sup>th</sup> Global Focal Point Conference of Assets Recovery in July with the support of the US Department of State, and the 2<sup>nd</sup> Assembly of Parties to the International Anti-corruption Academy to be held in Bangkok from 9 to 11 December 2013.

- **Malaysia** reported on its anti-corruption initiatives and development on implementing the UN Convention Against Corruption (UNCAC). Malaysia's Country Review Report and its Executive Summary was finally completed by UNODC as indicated at the 4th Session of the Meeting of the UNCAC Implementation Review Group on 27-31 May 2013, in Vienna. On 28 May 2013, the UNODC Secretariat published the Executive Summary of Malaysia's implementation of Chapter III and Chapter IV on the UNODC website. Malaysia has fulfilled almost 100% of UNCAC Articles in Chapter III and Chapter IV as per Executive Summary and would also add that Malaysia has in place legislation and practices which far exceeded some of the obligations required under UNCAC. These have been highlighted in the Executive Summary as "Successes and Good Practices" which could be emulated by other States Parties. Malaysia also reported on the the Government Transformation Programme (GTP) 2.0 which started in 2013 and will end in 2015. One of its initiatives is the 'Introduction of Corporate Liability Provision' into the Malaysian Anti-Corruption Commission Act 2009. Malaysia joined another international platform called the Economic Crime Agencies Network (ECAN). The first meeting was held in New Zealand and the members of this network are: SFO New Zealand, KPK Indonesia, CPIB Singapore, Federal Bureau Investigation (FBI), Serious Fraud Office of UK, London City Police, ICAC Hong Kong and Australian Federal Police.
- **Singapore** updated that Singapore will be reviewed under the UNCAC framework this year and it is making necessary preparations for this. Regarding international cooperation in capacity building, the Corrupt Practices Investigation Bureau and the Singapore Ministry of Foreign Affairs jointly conducted the 'ACE-Program' or the Anti-Corruption Executive Program, in June 2013, which is an intermediate-level course for anti-corruption officers from the ASEAN region and which also saw participants from Hong Kong ICAC and New Zealand SFO.
- **Indonesia** reported on activities in implementing the National Strategy on the Prevention and Eradication of Corruption which covers long term (2012-2025) and medium term periods (2012-2014). The national strategy and action plan were designed based on the provisions of UNCAC in the effort to effectively implement the Convention at the national level. This national strategy consists of 6 pillars namely: prevention; law enforcement; international cooperation and asset recovery; harmonization of relevant laws and regulations; education strategy and anti-corruption culture; and reporting mechanism. Regarding UNCAC Review Mechanism, after Indonesia finished being reviewed by mid of 2012 the recommendations in the area of Law Enforcement and Criminalization, and International Cooperation were adopted under the National Strategy. Indonesia and Belarus are now in the process of reviewing UNCAC implementation in the Islamic Republic of Iran.

#### **Agenda Item 6 – Reports on Ongoing and Proposed Projects and ACT Initiatives and Related Synergies with Other Relevant International Fora**

Members received reports on ongoing and proposed projects for 2013 and 2014 and related synergies with other relevant international fora.

- **Australia** reported on its ongoing APEC-funded project 'APEC Guide to Mutual Legal Assistance'. OECD representative offered assistance and capacity support for this workshop.
- **Indonesia** updated on its initiative to hold the first Inter ACT-Network annual Meeting in Bali, close before to the 2013 Leaders' week (UPDATED SCHEDULE FOR THE PRE-ACT-NET MEETING: 18-19 September 2013).

Aligned with the APEC Leaders' 2014 Santiago Commitment and the 2012 Vladivostok Statement which encouraged to enhance the enforcement of members' laws addressing corruption and bribery in compliance with their respective international commitments and in accordance with the APEC Course of Action on Fighting Corruption and Ensuring Transparency, Indonesia is inviting APEC economies to establish a network of Anti-Corruption & Law Enforcement Authorities (ACT-NET) under the auspices of the ACT, to meet once a year to discuss anti-corruption and anti-bribery efforts.

The objectives of the proposed meeting are: i) To encourage networking and foster relationship-building among anti-corruption and law enforcement officials who can assist one another in investigating and prosecuting corruption and domestic and foreign bribery, money laundering, and illicit trade cases; ii) To provide a forum which can facilitate bilateral and multilateral side-meetings to discuss corruption, domestic and foreign bribery, money laundering, and illicit trade cases, as appropriate; and iii) To facilitate the sharing of expertise and experiences in investigating and prosecuting corruption, domestic and foreign bribery, money laundering, and illicit trade cases.

ACT Members supported the initiative although some expressed a level of concern on the modalities, operational aspects as well as logistical issues that Indonesia may need to address to develop the initiative. Members agreed that there is no need to amend the ACT Terms of Reference in order to effectively implement the initiative and also decided that this network will be informal until otherwise is agreed depending on further deliberations during the upcoming ACT-NET Meeting.

- **The United States** shared an update on the self-funded APEC Pathfinder Dialogue with ASEAN and PIF Partners on Combating Corruption and Illicit Trade, to be held in September 23-25, 2013, in Bangkok, Thailand, noting that the Dialogue would focus on links between corruption and human trafficking, wildlife trafficking/environmental crime, and money laundering, respectively.
- **Chile** shared a progress report on the ongoing APEC-funded multiyear project "Capacity-Building Workshops on Designing Best Models on Prosecuting Corruption and Money Laundering Cases Using Financial Flow Tracking Techniques and Investigative Intelligence for Effective Conviction and Asset Recovery to Promote Regional Economic Growth", held in June 11-13, 2013 in Santiago. The second of the two workshops will be held in Bangkok, Thailand (UPDATE: February 2014, TBC).
- The **ACT Chair** presented the proposal on the ACT and APEC Experts Group on Illegal Logging and Associated Trade (EGILAT) Law Enforcement Cooperation Workshop, a self-funded project led by the U.S to be held in P.R. China in the margins of a SOM meeting in 2014 (TBA). The ACT-EGILAT Workshop will be addressed in the joint meeting discussion between EGILAT and ACT members on June 26.
- **Thailand** updated members on the 4th StAR/INTERPOL Asset Recovery Global Focal Points (GFP) Conference, "Operational Support for Asset Recovery," to be held July 3-5, 2013 in Bangkok, Thailand. The United States, which supports the GFP Initiative, also encouraged economies to participate in the Conference and the Network.

#### **Agenda Item 7 – Report from International Organizations on their Anti-Corruption activities and Synchronizing with ACT**

Members welcomed the participation of Ms Elisabeth Täubl from the International Anticorruption Academy (IACA), Mr William Loo from the OECD, Mr Dadang Trisasongko from Transparency International (Indonesia), and Mr David Dodwell, ABAC representative, Executive Director of Hong Kong-APEC Trade Policy Group, who shared their reports on recent activities related to transparency and anticorruption and opportunities to collaborate with ACTWG.

#### **Agenda Item 8 – Expected Outcomes and Deliverables for ACT in 2013 and Beyond**

- **ACT Chair** spoke on the expected ACT Outcomes and Deliverables in 2013. He pointed out that all the outcomes and deliverables expected for this year were completed except of two upcoming events such as the APEC Pathfinder on Combating Corruption and Illicit Trade, to be held in September 23-25, 2013, in Bangkok, Thailand, and the first informal ACT-Network Meeting to be held in Bali, before to the 2013 Leaders' week (updated schedule for the pre-ACT-NET meeting: 18-19 September 2013).
- **The Secretariat** reminded members on the status of the ACT Strategic Plan 2013-2017, which is already endorsed by ACTWG and now submitted to SCE for consideration and feedback.

- **ACT Chair** reminded members on the 2012 AELM Commitment of Regular Reporting and Progress on Implementing APEC Commitments. ACT Chair encouraged members to send to the Secretariat their updates as soon as possible.
- **P.R. China** spoke on its general anticorruption priorities for the next year and also on expected ACT deliverables such as two workshops, (dates and places to be announced later through the Secretariat), and will welcome any ideas and initiatives from ACT members. Finally China remarked that dates and places of next SOM meetings in 2014 are under evaluation, and will be announced as soon as possible. Members welcomed the upcoming China Chairmanship of ACTWG for 2014.

**Other Issues, Next Meeting and final remarks**

The ACT Chair thanked all ACT members for their active participation and contribution to the meeting as well as the Secretariat for its support. The next ACTWG meeting will be held at SOM1 2014 in China (TBA)