

S. 305

Sec. 101

SHORT TITLE  
"Foreign Corrupt Practices Act of 1977"

Sec. 102.

Contains various accounting requirements applying to companies over which the SEC has jurisdiction as follows:

(Sub. (2) line 9  
page 1 thru line  
23 page 2)

-A company is required to keep books and records which accurately and fairly reflect its transactions and dispositions of assets.

-A company is required to maintain internal accounting controls sufficient to provide reasonable assurance that:

(i) transactions are executed in accordance with management authorization.

(ii) transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable criteria and to maintain accountability for assets.

(iii) access to assets is permitted only in accordance with management authorization.

(iv) the recorded accountability for assets is compared with existing assets at reasonable intervals.

(Sub (3) line 24  
page 2 thru line 6  
page 3.)

Makes it unlawful for any person to falsify any book or record made for an accounting purpose.

(sub (4) line 7  
page 3 thru line 21  
page 3)

-makes it unlawful for any person to make a false statement or material omission to an accountant in connection with an audit of such a company.

Sec. 103 and  
Sec. 104

Makes it unlawful for any company under the jurisdiction of the SEC and any other domestic concern to engage in foreign corrupt practices as follows:

-To make use of the mails or of any means or instrumentality of interstate commerce corruptly (knowingly and with intent) to offer, pay, or authorize the payment of any money or thing of value to an official of a foreign government or instrumentality thereof for the purpose of inducing the individual to:

(i) to use his influence or to fail to perform his functions to

(ii) assist the company in obtaining or retaining business or influencing legislation or regulations of the government.

(Sub (2) page 4 and 5  
lines 20-24 and 1-6)

The same prohibitions on payments to government officials as is applicable in Sub (1) above applies to payments to foreign political parties, officials thereof, or candidates for foreign political office.

(Sub (3) page 5  
lines 7-22)

Payments made to agents "while knowing or having reason to know" that all or a portion of such payments will be offered, given or promised to a foreign government official, political party or candidate for office for the purposes prohibited (as set forth above) are also proscribed.