

104TH CONGRESS
2D SESSION

S. 2165

To require the President to impose economic sanctions against countries that fail to eliminate corrupt business practices, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 30, 1996

Mr. SPECTER introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To require the President to impose economic sanctions against countries that fail to eliminate corrupt business practices, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fair Trade Practices
5 Act of 1996”.

6 **SEC. 2. REPORT BY THE PRESIDENT; SANCTIONS.**

7 (a) REPORT.—

8 (1) IN GENERAL.—Not later than 6 months
9 after the date of the enactment of this Act, and an-

1 nually thereafter, the President shall submit a report
2 to the Congress that—

3 (A) identifies foreign persons and concerns
4 that engage in foreign corrupt trade practices
5 and foreign countries that do not have in effect
6 or do not enforce laws that are similar to the
7 Foreign Corrupt Practices Act of 1977; and

8 (B) contains information regarding—

9 (i) existing corrupt trade practices of
10 foreign persons and concerns; and

11 (ii) efforts by the governments of for-
12 eign countries to stop corrupt trade prac-
13 tices by private persons and government
14 officials of those countries through enact-
15 ment and enforcement of laws similar to
16 the Foreign Corrupt Practices Act of
17 1977.

18 (2) DEFINITION OF CORRUPT TRADE PRAC-
19 TICE.—For purposes of this section, the term “cor-
20 rupt trade practice” means a practice that would
21 violate the prohibition described in section 104(h) of
22 the Foreign Corrupt Practices Act of 1977 if en-
23 gaged in by a domestic concern.

24 (b) SANCTIONS.—

1 (1) IN GENERAL.—If the President determines
2 that a country identified in subsection (a)(1)(A) is
3 not making a good faith effort to enact or enforce
4 the laws described in subsection (a)(1)(B)(ii), the
5 President is authorized and directed to impose the
6 sanctions described in paragraph (2).

7 (2) SANCTIONS DESCRIBED.—

8 (A) REDUCTION IN FOREIGN AID.—Fifty
9 percent of the assistance made available under
10 part I of the Foreign Assistance Act of 1961
11 and allocated each fiscal year pursuant to sec-
12 tion 653 of such Act for a country shall be
13 withheld from obligation and expenditure for
14 any fiscal year in which a determination has
15 been made under paragraph (1) with respect to
16 the country.

17 (B) MULTILATERAL DEVELOPMENT BANK
18 ASSISTANCE.—The United States Government
19 shall oppose, in accordance with section 701 of
20 the International Financial Institutions Act (22
21 U.S.C. 262d), the extension of any loan or fi-
22 nancial or technical assistance by international
23 financial institutions to any country described
24 in paragraph (1).

1 (c) DURATION OF SANCTIONS.—Any sanction im-
2 posed against a country under subsection (b)(2) shall re-
3 main in effect until such time as the President certifies
4 to the Congress that such country has enacted and is en-
5 forcing the laws described in subsection (a)(1)(B)(ii).

6 (d) WAIVER.—Any sanctions described in subsection
7 (b) may be delayed or waived upon certification of the
8 President to the Congress that it is in the national interest
9 to do so.

10 **SEC. 3. SANCTIONS AGAINST PERSONS AND BUSINESS EN-**
11 **TITIES.**

12 (a) IMPOSITION OF SANCTIONS ON FOREIGN PER-
13 SONS AND CONCERNS ENGAGING IN CERTAIN CORRUPT
14 BUSINESS PRACTICES.—The President shall impose the
15 sanctions described in subsection (b), to the fullest extent
16 consistent with international obligations, if the President
17 certifies to the Congress that—

18 (1) a foreign person or concern has engaged in
19 the conduct described in section 104(h) of the For-
20 eign Corrupt Practices Act of 1977, and such con-
21 duct has placed a United States concern at a com-
22 petitive disadvantage,

23 (2) the President has consulted with the foreign
24 country having primary jurisdiction over such con-
25 duct in an effort to get the government of that coun-

1 try to impose sanctions against such foreign person
2 or concern,

3 (3) a period of 90 days has elapsed since the
4 President first consulted with the foreign country,
5 and

6 (4) the country has not taken action against
7 such person or concern.

8 The 90-day period referred to in the preceding sentence
9 may be extended for an additional 90 days if the President
10 determines sufficient progress has been made in consulta-
11 tion with the foreign country to justify such an extension.

12 (b) SANCTIONS.—

13 (1) IN GENERAL.—The sanctions to be imposed
14 pursuant to subsection (a) are as follows:

15 (A) PROCUREMENT SANCTION.—The Unit-
16 ed States Government shall not procure, or
17 enter into any contract for the procurement of,
18 any goods or services from any foreign person
19 or concern that engages in the unlawful conduct
20 described in subsection (a)(1).

21 (B) LICENSE BAN.—The United States
22 Government shall not issue any license or other
23 authority to conduct business in the United
24 States to any foreign person or concern that en-

1 gages in the unlawful conduct described in sub-
2 section (a)(1).

3 (2) WAIVER.—Any penalties or sanctions im-
4 posed under this section may be delayed or waived
5 upon certification of the President to Congress that
6 it is in the national interest to do so.

7 (c) DEFINITIONS.—For purposes of this section—

8 (1) FOREIGN CONCERN.—The term “foreign
9 concern” means any corporation, partnership, asso-
10 ciation, joint stock company, business trust, unincor-
11 porated organization, or sole proprietorship which
12 has its principal place of business in a country other
13 than the United States, or which is organized under
14 the laws of a country other than the United States.

15 (2) FOREIGN PERSON.—The term “foreign per-
16 son” means any individual who is a citizen or na-
17 tional of a country other than the United States.

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