



ANTI-CORRUPTION

Recommendations on U.S.-Brazil Commitments – August 2020

Considering the elevated status of the bilateral relationship and the current negotiations on a trade agreement, the U.S. Chamber of Commerce’s Brazil-U.S. Business Council and Coalition for the Rule of Law in Global Markets express support for the inclusion of a chapter containing bilateral anti-corruption commitments, taking into consideration the following:

- U.S.-Brazil anti-corruption commitments should uphold their current international commitments and remain rooted in laws instituted at the national level. Recognizing that the two countries have established anti-corruption national laws and support firm international commitments¹, an anti-corruption chapter is warranted to reinforce and strengthen the fight against corruption in both countries.
- Brazil’s campaign to accede to the OECD is a motivator for the adoption of OECD-type public integrity commitments (*e.g.*, 2017 OECD Recommendation on Public Integrity and the Anti-Bribery Convention), including recommendations on processes and structures to foster integrity in public organizations.
- The Chamber’s Global Rule of Law and Business Dashboard (2019)² is a valuable reference for evaluating and comparing the two countries’ status with respect to rule of law, including judicial effectiveness, government integrity, and anti-corruption measures. The Dashboard evaluates a market’s commitment to the rule of law via five factors that underpin the private sector’s ability to operate sustainably — transparency, predictability, stability, accountability, and due process — all of which provide a framework for a trade agreement to succeed.
- Chapter 27 of the new U.S.-Mexico-Canada Agreement (USMCA) is an appropriate reference template as it reflects innovative and sound commitments to combat corruption. Examples of its provisions are the dispute settlement mechanism, the possibility of reporting anonymous claims to authorities, and provisions on enforcement, cooperation and coordination of best practices between the parties.
- Both countries should adopt measures to educate and build capacity to eliminate corruption. Trade agreements that incorporate anti-corruption components into bilateral treaties instill investors with greater confidence to compete and operate in global markets. Expanding educational and capacity-building efforts would further incorporate all facets of society into the commitment to building a culture of integrity.

The Chamber’s Brazil Council and the Coalition for the Rule of Law stress the utmost importance of a progressive anticorruption chapter as a tool to combat corruption, which undermines the legitimacy of public institutions and has a corrosive effect on trade and investment. Please count on our support to be of assistance during the negotiations.

¹ The two countries are signatories of the UN convention against corruption, the OECD Anti-Bribery Convention and the Inter-American Convention on Bribery. Brazil enacted its national anti-corruption law in 2013 while the U.S. Foreign Corrupt Practices Act has been in effect since 1977.

² Brazil’s overall Dashboard score is at 52.39% while the U.S. ranks at 78.37%. The majority of OECD members perform well on the Dashboard - the average score for OECD economies being 72.09%.