

## Overview of Data

The Philippines scores below the global average on most governance indicators and is in the middle tier of ASEAN states in terms of governance performance. Some indicators have taken a small—though not necessarily statistically significant—downward turn in recent years. The level of FCPA enforcement involving transactions in the Philippines is typical.

| Corruption and Governance Indicators                                    | Philippines | G7 Average |
|---|-------------|------------|
| Transparency International Corruption Perceptions Index                 | 36          | 73         |
| World Bank Control of Corruption Score                                  | 34          | 87         |
| World Justice Project Rule of Law Score                                 | 47          | 76         |
| Major Correlates of Corruption  |             |            |
| Nominal GDP Per Capita Percentile Rank                                  | 30          | 89         |
| World Bank Government Effectiveness Score                               | 55          | 89         |
| World Bank Enterprise Survey Responses (2015)                           |             |            |
| Share of firms reporting at least one bribe request                     | 17%         | 1.4%       |
| Share of firms expected to give gifts to secure government contract     | 20%         | 1.9%       |
| Share of firms expected to give gifts to officials to “get things done” | 59%         | 1.5%       |
| Share of businesses reporting corruption is a major constraint          | 35%         | 7.5%       |

*\*All indicators are scores/100 or are percentile ranks, 100=best. Some scores have been adjusted accordingly. 1-33 34-66 67-100.*

## Illustrative FCPA Cases (as reported)

Total FCPA Enforcement: 3 Cases

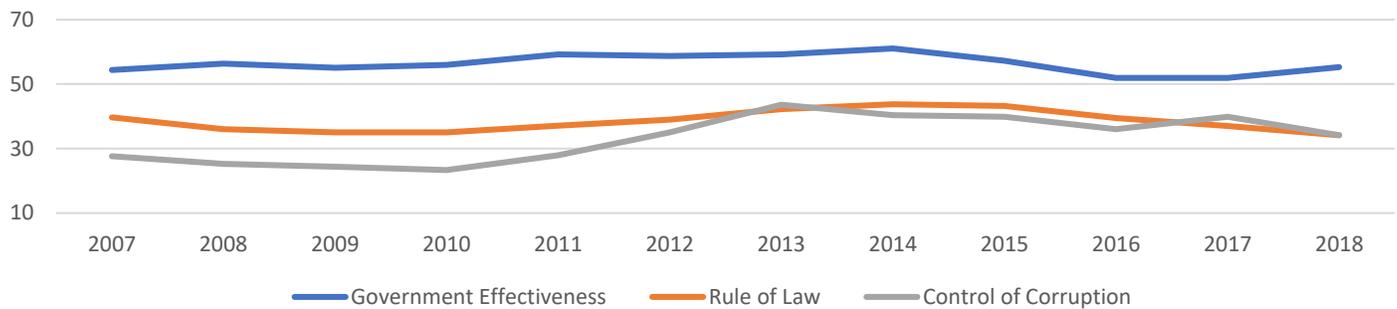
- BHP Billiton**—During the course of a dispute with a JV partner, the mining company allegedly offered an expenses-paid trip to the 2008 Beijing Olympics to the government official responsible for making a key decision in the dispute. The official accepted the offer and subsequently decided in BHPB’s favor. The offer was withdrawn before the Olympics took place.
- Con-Way**—The logistics company was a 55% owner of a local firm which allegedly paid approximately USD 400 thousand to officials of the Philippines Bureau of Customs, the Philippine Economic Zone, and several state-owned airlines operating at Philippines airports. Employees of the state-owned airlines were allegedly complicit in helping the subsidiary cut costs by improperly weighing air freight or misallocating space in favor of the subsidiary.
- InVision**—The company sold two airport explosives detectors to Philippines officials. Subsequent to this sale, the company’s Philippines sales agent was paid a large sales commission despite having indicated that a portion of this commission would be provided as a kickback to the authorizing public officials in the sale.

## Transparency and Accessibility of Information

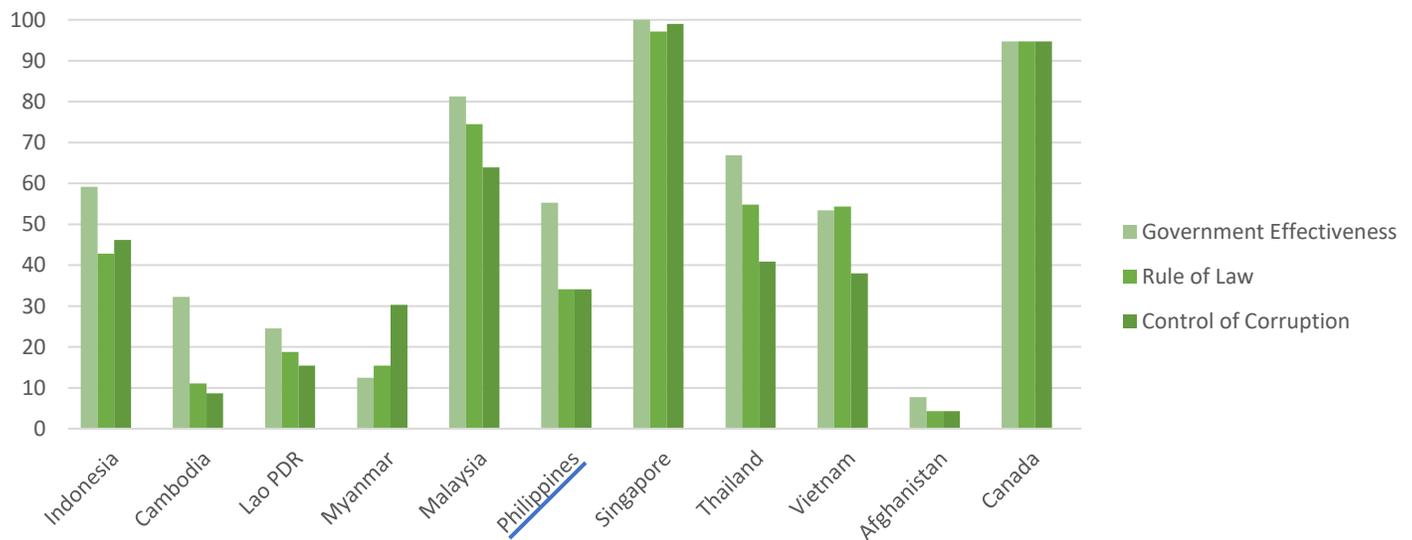
|                         |   |  |
|-------------------------|---|--|
| Availability of Records | ● | Corporate records, including shareholding information for publicly listed companies is readily available online. Litigation records may require in-person retrieval and won't likely be accessible to third parties. |
| Freedom of Press        | ● | Reporters without Borders rank 134/180 (180=worst)<br>Freedom House score 44/100, "partly free" (100=least free)   |
| Language Accessibility  | ● | Official records are in English.   |
| Financial Disclosure    | ● | Tax Justice Network Financial Secrecy Score—65/100 (100=most secret)   |

● Poor ● Moderate ● Accessible

## Trendlines—World Bank Worldwide Governance Indicators (100=best)



## Country Comparison—World Bank Worldwide Governance Indicators (100=best)



## Context: Corruption in the Philippines

Corruption is a continuing problem in all areas of business and public administration in the Philippines. Corruption scandals involving elected officials, the police, and the judiciary are common issues in Philippines politics, and solicitations for facilitation payments for licenses and other government services are pervasive. Despite recent policy attempts to remedy the problem, significant amounts of red tape increase opportunities for government intervention in business.

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