

No. 82-03

Date: April 22, 1982

#### Review Procedure Releases

The Department of Justice has received a review request from a Delaware corporation which seeks to do business with a government department of the Federal Socialist Republic of Yugoslavia having principal responsibility for the procurement of property and services for the Yugoslav military. The company proposes to retain and pay a subunit of that government department to act as its agent in the performance of those duties and responsibilities generally carried out by commercial sales agents. Representatives of the company have been advised by a senior official of the government-controlled trade organization that it is the law of Yugoslavia that if a firm intends to do business with the military of that country, an agency agreement with the government-controlled trade organization is necessary. The written agreement, however, would obligate the company to pay the governmental unit a percentage of the total contract price on the pending defense acquisition, and require them to pay a percentage fee on each successive equipment or spare parts contract negotiated by that government procurement department or any other military or commercial customer in the territory of the Federal Socialist Republic of Yugoslavia. The company will require that the commission fees and the identity of the commission agent be set forth in the written agency agreement, and this document will require that the government-controlled trade organization will be paid its commissions directly in Yugoslavia. The parties shall also insert a reference to the written agency agreement in the purchase contract which is to be executed contemporaneously with the agency agreement. There is no expectation that any individual government official will personally benefit from the proposed agency relationship.

Based on all the facts and circumstances disclosed to us by the requestor, the Department does not presently intend to take an enforcement action with respect to the agency relationship as proposed by the requesting party.

The FCPA Review Letter and this Release have no application to any party which did not join in the request, and can be relied upon by the requesting party only to the extent that the disclosure of facts and circumstances accurately and completely reflect such facts and circumstances.