

No. 83-01

Date: May 12, 1983

Review Procedure Releases

The Department of Justice has received a review request from a California corporation which seeks to do business with a Sudanese corporation primarily established for the dissemination of domestic and international news and communications, and the development of a communications network. The Sudanese corporation may, within its operating parameters, act as an agent for foreign companies. The Sudanese corporation is an autonomous legal entity, whose head is appointed by the President of Sudan, and which is operationally independent of the Sudanese Government. The Sudanese corporation is a member of a group of entities from several countries which have joined together for the same general purposes as the Sudanese corporation.

The California corporation wishes to sell certain of its equipment to commercial and governmental customers in Sudan as well as the other countries associated with the group described in the paragraph immediately above. The California corporation proposes to use the Sudanese corporation as its agent in connection with sales in Sudan and the countries which comprise the group. In its agency capacity, the Sudanese corporation will perform those duties and responsibilities generally carried out by commercial sales agents.

The written agreement between the California corporation and the Sudanese corporation obligates the California corporation to pay to the Sudanese corporation a percentage of the standard list price of its products which are sold through the Sudanese corporation. Payment will be made directly to the Sudanese corporation, and not to any individual, for deposit in an authorized financial institution in Khartoum, Sudan. The agreement also provides that with respect to any purchase contract between the California corporation and a customer pursuant to which the Sudanese corporation would be entitled to a percentage, notice of the agency relationship between the California corporation and the Sudanese corporation shall be given, and a specific reference to the agency agreement shall be made in the purchase contract. There is no expectation that any individual Sudanese 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.