Alerts and Updates

UK BRIBERY ACT'S IMPACT ON PRIVATE EQUITY

April 8, 2011

The United Kingdom's Bribery Act, which takes effect on July 1, 2011, poses significant compliance requirements and potential financial ramifications for private equity and venture capital investors in the United States.

- Private equity investors in a company could be considered "associated persons" and may be liable for a company's default.
- The Bribery Act is not confined to the United Kingdom. Investors or executives—even if working for US entities—are potentially within its scope.
- If private equity investors cannot prove that they have done the appropriate level of due diligence, a company may be worth less when it later is sold.

For a detailed discussion of the Act, please see the *Duane Morris Alert*:
"UK Bribery Act, Effective 1 July 2011, to Impact Businesses Large and Small."

For Further Information

If you have any questions about the UK Bribery Act or would like more information about this *Alert*, please contact Jonathan P. Armstrong, George J. Nemphos, any member of the Private Equity / Venture Capital Practice Group, any member of the Corporate Practice Group, any member of the White-Collar Criminal Law Practice Group or the attorney in the firm with whom you are regularly in contact.